

Harford County
Maryland

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

For The Fiscal Year
Ended June 30, 2009



David R. Craig
County Executive

*"Preserving Harford's past;
Promoting Harford's future"*



HARFORD COUNTY, MARYLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED

JUNE 30, 2009



Prepared by:

*Department of the Treasury
Harford County, Maryland*

*John R. Scotten, Jr., CGFM
Harford County Treasurer*



HARFORD COUNTY, MARYLAND
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HARFORD COUNTY, MARYLAND

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Introductory Section



EDEN MILL NATURE CENTER

The most recent improvements to Eden Mill Nature Center involved the construction of a deck and access to the Nature Center for individuals with disabilities as well as the provision of heating and air conditioning to permit year round use of this popular facility. These projects included expenditures of approximately \$246,000. The rehabilitation of Eden Mill is an ongoing project and improvements are made as conditions dictate.

DAVID R. CRAIG
HARFORD COUNTY EXECUTIVE



JOHN R. SCOTTEN, JR., CGFM
TREASURER

LORRAINE COSTELLO
DIRECTOR OF ADMINISTRATION

RICK PERNAS, CPA
DEPUTY TREASURER

HARFORD COUNTY GOVERNMENT

October 31, 2009

Honorable Members of the County Council,
County Executive and Citizens of Harford County

The Comprehensive Annual Financial Report (CAFR) of Harford County, Maryland (the County) for the fiscal year ended June 30, 2009 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the County annually issue a report of its financial position and activity, and that an independent firm of licensed certified public accountants selected by the County Council audit this report. The County is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*. Responsibility for both the accuracy of the data and the completeness and reliability of all of the information presented in these reports rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the County Government and its component units.

Management of the government is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

The County's financial statements have been audited by SB & Company, LLC, Independent Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of Harford County Government for the fiscal year ended June 30, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent certified public accountants concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the financial statements for Harford County Government for the fiscal year ended June 30, 2009 are fairly presented in conformity with GAAP. The independent certified public accountant's report is presented as the first component of the financial section of this report.

~ Preserving Harford's past; promoting Harford's future ~

MY DIRECT PHONE NUMBER IS 410-638-3316
220 SOUTH MAIN STREET, BEL AIR, MARYLAND 21014 • www.harfordcountymd.gov

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent public accountants.

PROFILE OF THE GOVERNMENT

Harford County, Maryland was formed in 1773 and had a Commissioner form of government until 1972. Upon enactment of the Harford County Charter, a charter form of government became effective on December 7, 1972. A County Executive and a seven member County Council, one of whom is President of the Council, govern the County. The County Executive and President of the Council are elected at large. The other six members of the County Council are elected by in-district elections. All executive powers vested in Harford County by the Constitution and laws of the State of Maryland and County Charter are vested in the County Executive, who is the chief executive officer of the County and is responsible for the affairs of the Executive Branch and assuring that they are properly and efficiently administered. All legislative powers, which may be exercised by Harford County under the Constitution, and laws of the State of Maryland, including all lawmaking powers, are vested in the County Council.

Harford County occupies a land area of 448 square miles and serves a population of 246,100. The County provides a full range of municipal services, including sheriff's office, volunteer fire and rescue, corrections, public works, planning and zoning, landfill, water and sewer, economic development, parks and recreation and general administrative services. The County also provides the majority of funds that support public schools, the community college, and libraries through its component units. The entities that meet these criteria are the Harford Community College, Harford County Board of Education, Harford County Library, and Harford Center, Inc. Additional information on the component units can be found in note 1A.

Harford County's annual operating and capital budget represents a comprehensive financial plan for the County effective each year on the first day of July. The proposed budget is submitted each year by the County Executive to the County Council and published to the public on April 1 of each year. The County Council conducts budget hearings with departments, the Board of Education, etc, as well as public hearings prior to approving the budget and the tax rates by May 31 of each year. No expenditure of County funds may be made in excess of appropriation at the department level. A Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances on a Budget (Non-GAAP) vs. Actual basis is presented for the three major governmental funds which adopted an annual budget, the general, highway and agricultural preservation funds, and can be found on pages 24 and 25 of this report.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local economy: Harford County has been and continues to be fiscally sound, thanks to years of conservative fiscal management. The County is effectively dealing with the pressures brought on by declining County revenues, caused in part, by Maryland's State budget deficits as well as the global economic crisis.

Almost immediately as fiscal year 2009 began, the County, because of major unanticipated declines in revenue, especially income tax revenues began cost-cutting measures to get through the year. Each County department was asked to give back up to 5.0 percent of their 2009 operating budget; the same was asked of the Board of Education, the Harford Community College, the Harford County Sheriff's Office, and the Library System. They all readily cooperated.

As work on the fiscal year 2010 budget moved forward the economic picture worsened for the nation, the State of Maryland and the County. Because of this the fiscal year 2010 proposed budget, submitted to County Council in April, included nearly \$38.0 million in cuts to the Operating Budget; an average 6.0 percent reduction to each County department and funding concessions willingly agreed to by the Board of Education, the Harford Community College, the Harford County Sheriff's Office, the Library System and the Volunteer Fire Companies. The County Council, anticipating further economic challenges, made amendments to the budget, cutting an additional 5.0 percent across the board, exclusive of the Sheriff's Office, the Board of Education, the Harford Community College and the Volunteer Fire Companies. These amendments brought the total average cuts to over 12.0 percent. Some but certainly not all of the consequences of these reductions are: thirty-four County employees laid off, five furlough days for all government employees exclusive of Public Safety and Education, reductions in Library hours, elimination of Saturday Harford Transit bus service, reducing operations at the Tollgate Road yard waste site to one day a week, to name a few.

Although the real estate market in the County, as in the nation, has been cooling down since 2006, real property tax, the County's largest revenue source remains strong. In fiscal year 2009 real property tax represented 43.0 percent of total budgeted revenue. Harford County's property tax revenues are expected to continue to grow though the rate of growth has slowed. Effective in fiscal year 2010 the Council adopted Resolution No. 06-09, on May 29, 2009, which reduces the property tax rate from \$1.082 to \$1.064 for real property and decreases the corporate/personal property rate from \$2.705 to \$2.660. In spite of the downward trend in the real estate market and the tax rate reductions, budgeted real property taxes for fiscal year 2010 are expected to increase 8.6 percent, representing 50.0 percent of total budgeted revenues.

The income tax revenue, the second largest revenue source in the County, which is directly affected by population growth, employment levels and personal income, has shown steady growth over the last ten years. But for most of 2008 and 2009 the quarterly income tax receipts have been slowing, largely due to the slowdown in the overall economy, which is expected to continue into fiscal year 2010. Added to this is the impact of the Special Session of the Maryland General Assembly's action in November 2007, which changed income tax law to establish new individual income tax brackets and rates beginning this past January 2008. The Department of Legislative Services for the State of Maryland estimates the impact on Harford County will be a loss of \$4.0 million. As a result of these factors, the County is projecting a 12.6 percent decrease in income tax receipts in fiscal year 2010, representing 26.9 percent of total budgeted revenue.

Other County revenues tied to the State and affected by the State of Maryland's budget shortfalls in fiscal year 2010 have impacted the County. There has been a 90.0 percent decrease Highway User Tax revenue and a 35.0 percent decrease in Police Aid monies. In addition the State has cut monies to the County Health Department by 35.0 percent and cut the funding formula for Harford Community College by 5.0 percent. Additional State budget cuts that will affect the County are anticipated but not yet identified; any supplementary cuts may require further adjustments to the County's budget.

Long-term financial planning: In spite of the dire fiscal environment Harford County currently faces, the County continues to be well positioned for economic growth. Harford County's convenient location on the I-95 corridor in northeastern Maryland offers easy access to prominent research institutions such as the U.S. Army Aberdeen Proving Ground (APG), Johns Hopkins, and the University of Maryland. Desirable location, combined with the County's highly skilled work force and progressive, business-friendly environment, makes Harford County one of the most desirable business locations on the east coast. Harford County's 5,690 businesses employ 66,800 workers; an estimated 113 of these businesses employ 100 or more workers.

The U.S. Army Aberdeen Proving Ground is the major county employer and a technology resource for the region. Through the recent military Base Realignment and Closure (BRAC) process, the U.S. Army projects that APG will experience a net gain of 8,200 positions to its workforce; however, residual BRAC jobs, jobs that are created from the influx of people coming to APG, will put the total number of jobs at an estimated 10,000. As of December 2008, approximately 350 jobs have already moved to APG; another 900-1000 is

anticipated to follow in 2009; and 600 more in 2010. However the majority of the jobs will be available in 2011, when the construction of new facilities is completed. The majority of the jobs will be in engineering and science, logistics, support and maintenance and business administration sectors. Average expected salary is \$87,000 and many jobs will require a security clearance. In addition, administrative positions will be available and service related jobs, such as food service and childcare as well. It is expected that approximately 50.0 percent of current personnel will transfer to the area; recruitment efforts such as job fairs will be used to fill vacancies.

Population growth, which is expected to result from these newly created positions, as well as jobs, which will be indirectly created, could result in the addition of 7,000 new households to Harford County by the year 2012. In response to the challenges that will be created by BRAC, the County Executive appointed the BRAC Planning and Advisory Commission, to identify opportunities and analyze infrastructure and other support needs; and to share information with citizens interested in BRAC and the impact to Harford County. One of the County's most pressing challenges identified is school capacity and modernization issues; several projects in the fiscal year 2010 budget address these needs. On October 16, 2008 the County held a Town Hall meeting to update its citizens on BRAC preparation. Among the highlights were investments of more than \$96 million in public school construction and \$70 million in water plant expansion.

Also in the fiscal year 2010, the County continued its commitment to public safety and provided funds for ten additional deputy positions and capital funds to complete construction of a 288-bed expansion for medium security level inmates at the Detention Center. Additionally, the annual appropriation to each fire company and the EMS Foundation remained at the fiscal year 2009 level.

Even though fiscal year 2010's operating budget is very tight the County continues its policy of maintaining a reserve of 5.0 percent of the total General and Highway Fund operating budget to protect its high credit ratings. The balance serves as a means to handle potential revenue shortfalls, State or Federal budget cuts, and emergencies. Any excess unappropriated fund balance realized at the end of the fiscal year, above the 5.0 percent reserve, can be appropriated into the next fiscal year as one time funding for that fiscal year. In fiscal year 2010 appropriated fund balance in the general fund is \$2.04 million and, in the Highways fund its \$2.27 million.

The County continues to invest 100 percent of cash held temporarily idle during the year using an equity-in-pooled-cash system, except for bond funds, Firemen's Pension, Agricultural Preservation, Sheriff's Pension, and the trust funds, which are invested separately. For fiscal year 2009 the weighted average yield on investments, exclusive of monies invested with the Maryland Local Government Investment Pool (MLGIP), was 2.87 percent. The total amount of interest earned by the County on all investments was \$7,595,703; less than half of the \$15,230,526 earned in the prior fiscal year. Again the current fiscal environment has caused interest rates to decline significantly.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Harford County, Maryland for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the twenty-fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirement, and we are submitting it to the GFOA to determine its eligibility for another certificate.

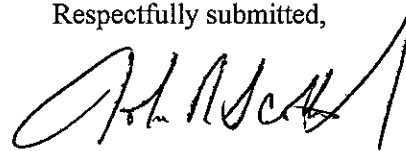
In addition, the County received its twenty-second GFOA Award for Distinguished Budget Presentation for its annual appropriated budget dated July 1, 2007, to June 30, 2008. In order to qualify for the Distinguished Budget Award, the County must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications medium. We believe our current budget continues to conform to program requirements and have submitted it to the GFOA to determine its eligibility for another award.

The County also received a Certificate of Recognition from the National Federation of Municipal Analysts in February 1992. This award was presented for special consideration and responsibility to the community of investors in its securities through an expressed commitment to continuing disclosure. The County continues its commitment to financial disclosure. In fiscal year 1996, the County began the issuance of unaudited interim financial statements in order to provide additional disclosure for an anticipated bond sale. The County continues to issue unaudited interim financial statements for the six-month period ending December 31st of each year.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Department of the Treasury. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the County Executive and County Council for their leadership and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John R. Scotten, Jr.", written in a cursive style.

John R. Scotten, Jr., CGFM
Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Harford County
Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "K. L. R.", is positioned above the title "President".

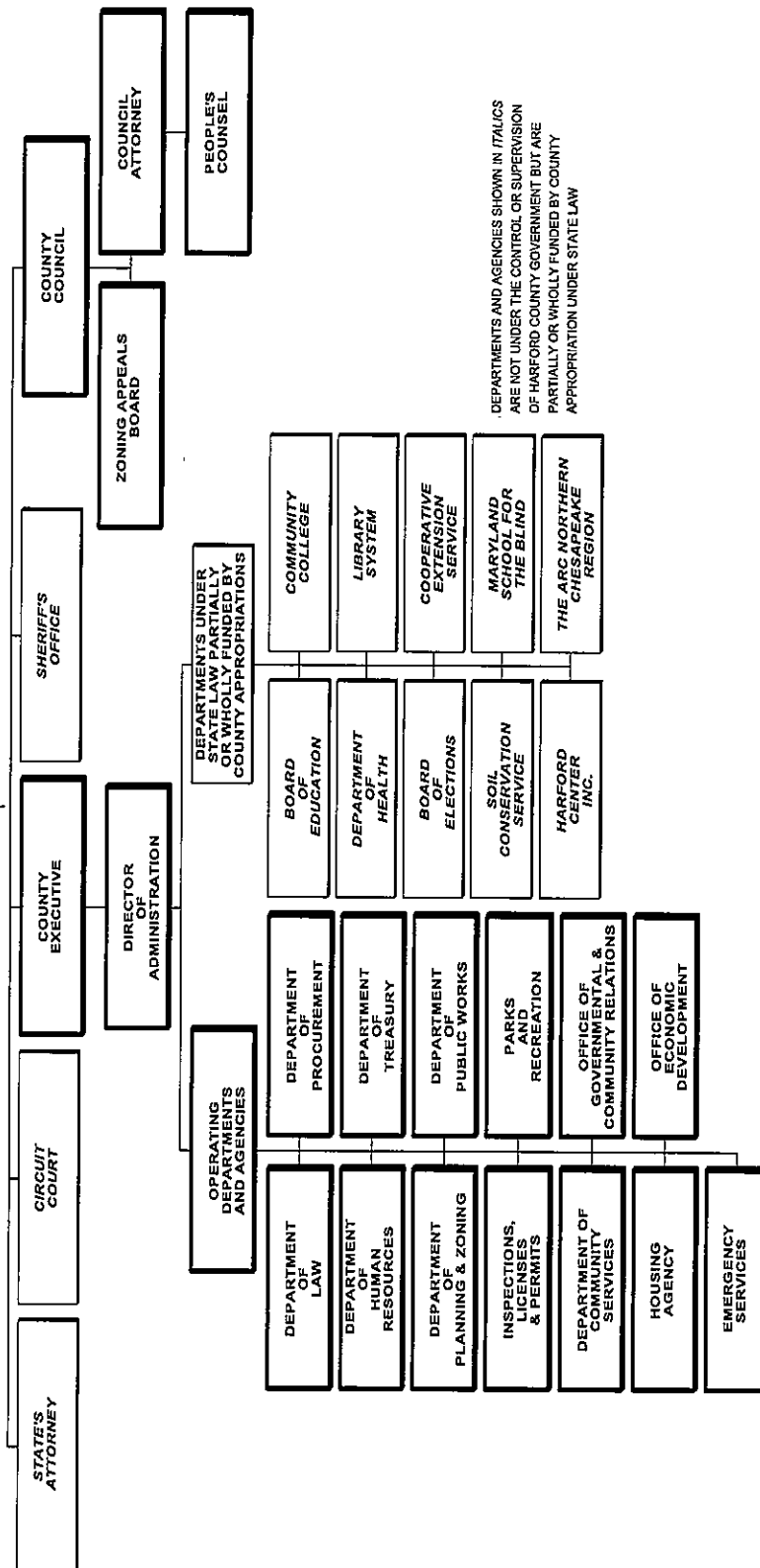
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is positioned above the title "Executive Director".

Executive Director

HARFORD COUNTY GOVERNMENT ORGANIZATION CHART

CITIZENS



**HARFORD COUNTY, MARYLAND
GOVERNMENTAL ORGANIZATION
CERTAIN ELECTED AND APPOINTED OFFICIALS
AS OF JUNE 30, 2009**

CERTAIN ELECTED OFFICIALS

County Executive

David R. Craig

President of the County Council
County Council Members

Billy Boniface
Dion F. Guthrie
Joseph M. Woods
James McMahan
Chad Shrodes
Richard C. Slutzky
Mary Ann Lisanti

CERTAIN APPOINTED OFFICIALS

Director of Administration
Treasurer
County Attorney
Director of Community Services
Director of Economic Development
Director of Government and Community Relations
Director of Human Resources
Director of Inspections, Licenses and Permits
Director of Parks and Recreation
Director of Planning and Zoning
Director of Procurement
Director of Public Works

Lorraine T. Costello
John R. Scotten, Jr.
Robert S. McCord
Mary F. Chance
James C. Richardson
N. Roxanne Lynch
Scott T. Gibson
Richard D. Lynch
Joseph E. Pfaff
C. Peter Gutwald
Deborah L. Henderson
Robert B. Cooper

Independent Public Accountants
SB & Company, LLC
Certified Public Accountants
Hunt Valley, Maryland

Bond Counsel
Miles & Stockbridge P.C.
Baltimore, Maryland

Financial Advisor
Public Advisory Consultants
Owings Mills, Maryland



Financial Section



To the Honorable Members of the County Council
Harford County, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harford County, Maryland (the County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Harford County Community College, the Harford County Library and the Harford Center, Inc. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harford County, Maryland, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general, highways, and agriculture land preservation funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.



SB & COMPANY, LLC
EXPERIENCE • QUALITY • CLIENT SERVICE

In accordance with Government Auditing Standards, we have issued our report dated October 15, 2009 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis, required supplemental schedules of funding progress for Pension Trust Funds and Other Post Employment Benefit (OPEB) Trust, and required schedule of employer contributions for OPEB Trust Fund as identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying introductory section, supplementary information as identified in the financial section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Hunt Valley, Maryland
October 15, 2009

SB's Company, LLC

Management's Discussion and Analysis

This section of the Comprehensive Annual Financial Report of Harford County, Maryland (the County) presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2009. We encourage readers to use the information presented here in conjunction with the accompanying letter of transmittal, the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

Government-wide:

- The County's assets exceeded its liabilities at the close of the fiscal year by \$800.5 million. The unrestricted portion of this is a negative \$115.0 million and is composed of an unrestricted deficit in the governmental activities of \$236.6 million and a balance \$121.6 million unrestricted in the Water and Sewer Fund. The unrestricted deficit occurred in the governmental funds due to the issuance of debt for public school construction, although the assets are held by the Board of Education.
- Total net assets of the County have decreased by \$112.3 million. The net assets of governmental activities decreased \$111.9 million during fiscal year 2009 due to increased program expenses of \$17.1 million, which included capital construction for the Board of Education, as well as a \$22.0 million decrease in total general revenue and a \$12.9 million decrease in program revenue. In the business-type activities, developer contributed capital assets decreased by \$4.4 million and capital connection charges decreased by \$3.4 million, contributing to the \$0.4 million decrease in net assets.

Fund Level:

- The County's governmental funds reported combined fund balances of \$196.4 million, a decrease of \$26.9 million. The greatest net change in fund balance occurred in the Capital Project Fund, where an increase in expenditures of \$6.6 million, combined with a \$7.0 million decrease in recordation and transfer tax, a \$8.2 million decrease in federal and state grants, a \$4.0 million decrease in paygo and a \$2.5 million decrease in investment income contributed to the \$18.8 million decrease in fund balance. Approximately 62.6 percent of the total fund balance, \$123.0 million, is available to meet the County's current and future needs, though \$90.9 million of the unreserved fund balance is designated for future use, credit rating and other purposes.
- Unreserved fund balance for the General Fund was \$53.4 million, or 12.2 percent of total General Fund expenditures. Designated fund balance of the General Fund was \$40.5 million, or 75.8 percent of unreserved fund balance, leaving \$13.0 million of unreserved and undesignated fund balance in the General Fund.
- The business-type operating activities revenue decreased by \$0.2 million or 0.7 percent and the operating loss increased by \$1.1 million or 8.2 percent.

Long-term Debt:

- The County's total bond, note and capital lease debt increased by \$102.2 million during the current fiscal year. The increase is due to debt principal payments of \$33.0 million and refunded debt of \$26.6 million offset by Agricultural Land Preservation installment purchase additions of \$7.1 million, general obligation bond sale proceeds of \$96.1 million, general obligation refunding proceeds of \$21.7 million, a fleet management lease of \$7.0 million, a note payable of \$1.3 million for the purchase of land, Water and Sewer bond sale proceeds of \$23.9 million, Water and Sewer refunding proceeds of \$4.3 million, and USDA proceeds of \$0.4 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required and non-required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position and condition of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during this fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include: sheriff's office, volunteer fire and rescue, corrections, public works, planning and zoning, landfill, economic development, agricultural preservation, parks and recreation and general administrative services. The business-type activities of the County include water and sewer operations.

The government-wide financial statements include not only the County, known as the *primary government*, but also legally separate component units. The County has the following component units: Board of Education of Harford County, Harford Community College, Harford County Library, and Harford Center, Inc. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 14 to 17 of this report.

Fund financial statements A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing

decisions. The governmental fund Balance Sheet including the Reconciliation to the Statement of Net Assets and the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities, provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains six individual governmental funds, the General, Highways, Grant, Agricultural Land Preservation, Capital Project and Parks and Recreation Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all six governmental funds.

The County adopts an annual appropriated budget for its General Fund, Highways Fund, Parks & Recreation Fund and Agricultural Land Preservation Fund. A budgetary comparison statement has been provided for each of the three major funds, the General, Highways and Agricultural Preservation Fund, to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 18 to 25 of this report.

Proprietary funds The County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements; the County's Water and Sewer activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for risk management and fleet management. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 26 to 28 of this report.

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 29 and 30 of this report.

Notes to the financial statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are part of the basic financial statements and can be found on pages 34 to 86 of this report.

Financial Analysis of the County as a Whole

The County's net assets are divided into three categories; invested in capital assets, net of related debt; restricted net assets and unrestricted net assets. The largest portion of the County's net assets, \$836.7 million, reflects its investment in capital assets net of depreciation (e.g. land, development rights, buildings, machinery, equipment, infrastructure and improvements), less any unmatured debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending.

Restricted net assets, at \$78.8 million, are resources subject to external restrictions on how they may be used. Accounting principles generally accepted in the United States of America direct that the difference between total net assets and the two categories of net assets just discussed be recorded as unrestricted net assets regardless of any negative balances that may result. Unrestricted net assets of the total primary government are a negative \$115.0 million; business-type activities have a balance of \$121.6 million unrestricted net assets while the unrestricted net assets for governmental activities are a negative \$236.6 million. The major reason for negative unrestricted net assets in the governmental funds relates to the building of schools. Counties in the State of Maryland issue debt for public school construction; however school buildings are recorded as assets of each public school system. Although net assets, as noted

earlier, are an indicator of a government's overall financial condition, the issuance of debt for Board of Education and Harford Community College construction, which increases the government's liabilities without the addition of corresponding assets, causes an imbalance on the Statement of Net Assets. A \$96.1 million Public Improvement Bond was issued during fiscal year 2009, \$80.5 million of which was for Board of Education capital projects and \$1.3 million for Harford Community College construction projects. In the County, assets exceeded liabilities by \$800.5 million at the close of the fiscal year.

The County's net assets decreased by \$112.3 million during the current fiscal year, a decrease of \$64.2 million greater than the fiscal year 2008 decrease. The net assets of governmental activities decreased \$111.9 million during fiscal year 2009 due to increased program expenses of \$17.1 million, which included capital construction for the Board of Education, as well as a \$22.0 million decrease in total general revenue and a \$12.9 million decrease in program revenue.

The greatest net change in revenue is in income taxes, which decreased 18.7 percent from fiscal year 2008. At the government-wide level, income taxes, which are deferred at the fund level because they will not be received until later in the fiscal year, are recorded regardless of the timing of the cash receipts. Income tax revenue deferred at the fund level, but recorded at the government-wide level, decreased \$25.2 million in fiscal year 2009. Part of the decrease, \$14.8 million, is the result of the State of Maryland moving monies from the local tax reserve trust account to their general fund to help balance their 2010 budget. The State plans to replenish the local tax reserve trust account by withholding income tax revenues due to the Counties and Municipalities over ten years, starting in 2013. In the business-type activities, a decrease in capital contributions of \$7.3 million, a decrease of \$3.1 million in investment earnings and a \$0.9 million decrease in recordation tax, have contributed to the \$0.4 million decrease in net assets. The following tables summarize net assets and the changes in net assets for governmental and business-type activities:

Harford County—Net Assets

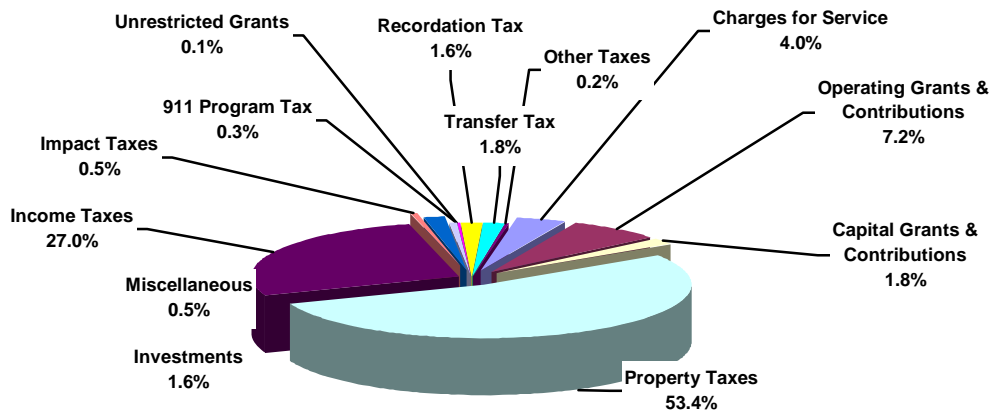
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current & Other Assets	\$ 297,043,823	\$ 337,138,478	\$ 173,141,416	\$ 167,641,214	\$ 470,185,239	\$ 504,779,692
Capital Assets	638,662,393	593,875,172	333,504,108	319,377,604	972,166,501	913,252,776
Total Assets	<u>935,706,216</u>	<u>931,013,650</u>	<u>506,645,524</u>	<u>487,018,818</u>	<u>1,442,351,740</u>	<u>1,418,032,468</u>
Long-term Liabilities	457,295,565	358,054,452	91,035,264	76,999,738	548,330,829	435,054,190
Other Liabilities	76,887,316	59,555,430	16,621,164	10,595,751	93,508,480	70,151,181
Total Liabilities	<u>534,182,881</u>	<u>417,609,882</u>	<u>107,656,428</u>	<u>87,595,489</u>	<u>641,839,309</u>	<u>505,205,371</u>
Net Assets:						
Invested in capital						
assets net related debt	559,243,688	464,659,388	277,437,097	264,079,863	836,680,785	728,739,251
Restricted	78,842,512	76,207,751	-	-	78,842,512	76,207,751
Unrestricted	<u>(236,562,865)</u>	<u>(27,463,371)</u>	<u>121,551,999</u>	<u>135,343,466</u>	<u>(115,010,866)</u>	<u>107,880,095</u>
Total Net Assets	<u>\$ 401,523,335</u>	<u>\$ 513,403,768</u>	<u>\$ 398,989,096</u>	<u>\$ 399,423,329</u>	<u>\$ 800,512,431</u>	<u>\$ 912,827,097</u>

Harford County Government-Changes in Net Assets

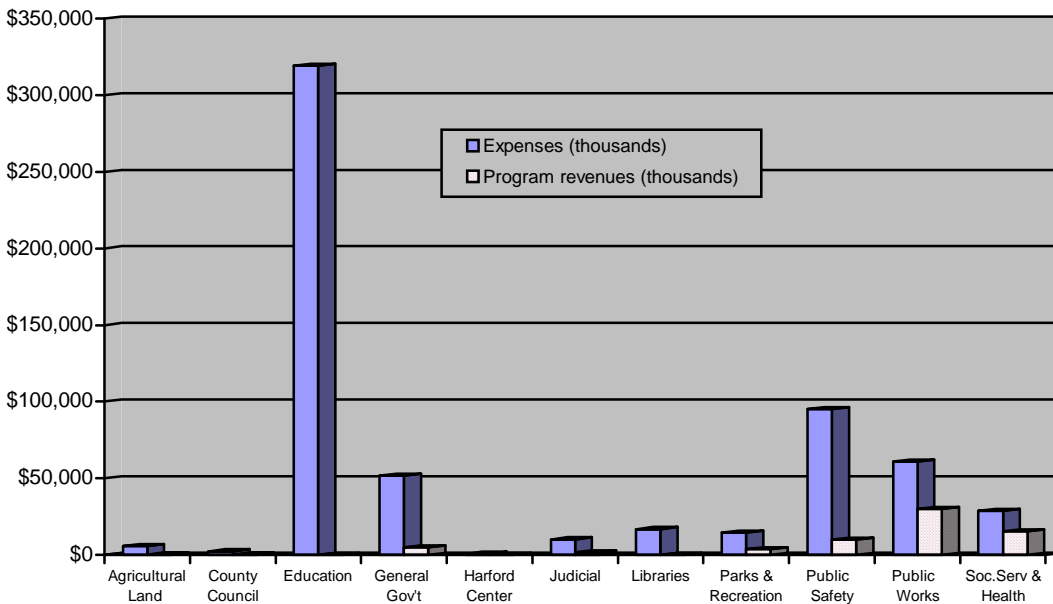
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for Services	\$ 20,262,902	\$ 26,412,014	\$ 24,001,673	\$ 24,179,578	\$ 44,264,575	\$ 50,591,592
Operating Grants & Contributions	36,473,746	34,867,362	-	-	36,473,746	34,867,362
Capital Grants & Contributions	9,210,506	17,557,762	10,366,224	17,661,512	19,576,730	35,219,274
General revenues:						
Property taxes	269,385,374	243,355,073	-	-	269,385,374	243,355,073
Income taxes	136,159,443	167,483,930	-	-	136,159,443	167,483,930
Impact fees	2,436,848	2,669,380	-	-	2,436,848	2,669,380
911 Program taxes	1,716,446	1,763,506	-	-	1,716,446	1,763,506
Recordation taxes	7,862,098	12,501,375	1,572,507	2,501,024	9,434,605	15,002,399
Transfer taxes	9,146,529	13,866,040	-	-	9,146,529	13,866,040
Other taxes	758,931	723,775	-	-	758,931	723,775
Investment earnings	7,883,023	15,068,189	4,488,011	7,542,465	12,371,034	22,610,654
Unrestricted Grants & Contributions	100,161	832,651	-	-	100,161	832,651
Miscellaneous	2,863,224	2,048,098	-	-	2,863,224	2,048,098
Total Revenues	504,259,231	539,149,155	40,428,415	51,884,579	544,687,646	591,033,734
Program Expenses:						
Agricultural Land Preservation	5,695,097	3,127,195	-	-	5,695,097	3,127,195
County Council	2,243,875	2,379,819	-	-	2,243,875	2,379,819
Education	319,330,062	297,182,465	-	-	319,330,062	297,182,465
General Government	51,703,093	43,776,142	-	-	51,703,093	43,776,142
Harford Center	582,143	532,142	-	-	582,143	532,142
Judicial	10,206,733	10,398,970	-	-	10,206,733	10,398,970
Libraries	16,809,566	16,406,652	-	-	16,809,566	16,406,652
Parks and Recreation	14,431,566	18,980,453	-	-	14,431,566	18,980,453
Public Safety	95,086,768	95,946,852	-	-	95,086,768	95,946,852
Public Works	60,809,936	73,819,429	-	-	60,809,936	73,819,429
Health/Social Services	28,677,264	26,492,857	-	-	28,677,264	26,492,857
Unallocated Debt Interest and Other Costs	10,563,561	9,995,430	-	-	10,563,561	9,995,430
Water and Sewer	-	-	40,862,648	40,077,024	40,862,648	40,077,024
Total Expenses	616,139,664	599,038,406	40,862,648	40,077,024	657,002,312	639,115,430
Change in Net Assets	(111,880,433)	(59,889,251)	(434,233)	11,807,555	(112,314,666)	(48,081,696)
Net Assets-Beginning	513,403,768	573,293,019	399,423,329	387,615,774	912,827,097	960,908,793
Net Assets-Ending	\$ 401,523,335	\$ 513,403,768	\$ 398,989,096	\$ 399,423,329	\$ 800,512,431	\$ 912,827,097

Governmental activities: The net assets of governmental activities decreased \$111.9 million during fiscal year 2009. Total expenses increased 2.9 percent for a total of \$17.1 million. The two greatest increases in expenses are in Education and General Government. The Education increase of \$22.1 million can be largely attributed to capital construction and renovation of several elementary and secondary schools within Harford County. The General Government increase of \$7.9 million in expenses is due, in part, to the budgeting of Other Post Employment Benefits in the General Government function, as well as increased contributions to the Volunteer Fire Association.

Revenues by Source-Governmental Activities



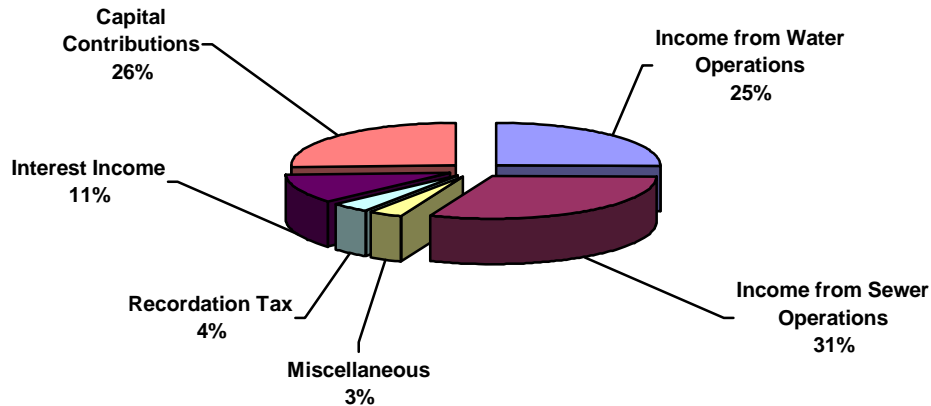
Expenses and Program Revenues-Governmental Activities



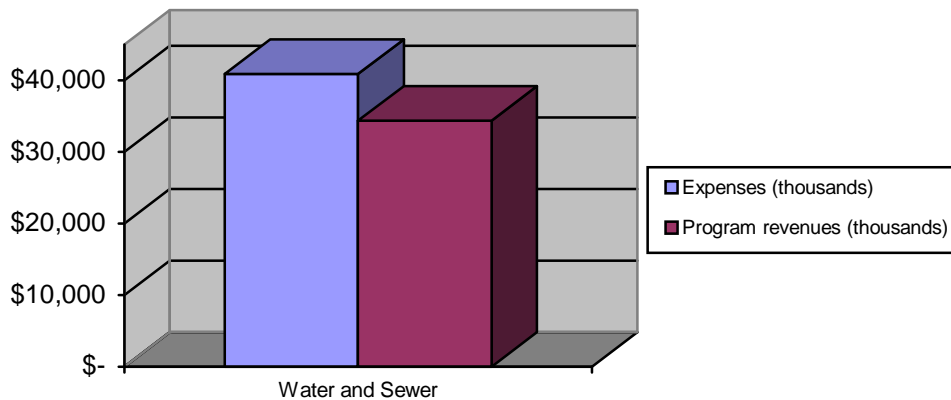
Business-type activities Business-type activities recorded a decrease in net assets of \$0.4 million. Key elements are as follows.

- The most significant decrease occurred in capital contributions. A decrease in developer contributed assets caused by a slow down in new construction as well as a 47.0 percent decrease in new connections caused income from capital contributions to decrease \$7.3 million.
- A decrease in recordation tax and interest income contributed to the \$4.0 million decrease in non operating income.

Revenues by Source-Business-type Activities



Expenses and Program Revenues-Business-type Activities



Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the government's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$196.4 million, a decrease of \$26.9 million in comparison with the prior year. Approximately 62.6 percent of this total amount, or \$123.0 million, constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance, 73.4 million, is *reserved* to indicate that it is not available for new spending because it has been committed to: 1) liquidate contracts and purchase orders of the prior period, \$46.0 million; 2) for dedicated revenues, \$24.7 million; 3) for inventories, \$2.1 million; or 4) for a loan receivable of \$0.6 million. The reserved fund balance, at 37.4 percent of total fund balance, does not significantly affect the availability of fund resources for future use.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$53.4 million, while total fund balance reached \$69.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 12.2 percent of total General Fund expenditures, while total fund balance represents 15.9 percent of that same amount.

The fund balance of the County's General Fund decreased by \$9.0 million during the current fiscal year. This use of fund balance was anticipated; the fiscal year 2009 budget included the appropriation of fund balance in the amount of \$20.3 million.

The Highways Fund has a total fund balance of \$22.4 million, representing an increase of \$5.8 million from the prior fiscal year. An increase of \$4.2 million in revenue received from the County Property Tax differential as well as a reduction of \$2.8 million in expenditures, contributed to the increase in fund balance. For fiscal year 2009, total capital outlay purchases decreased \$4.2 million. The Highways Fund has 86.3 percent of its total fund balance unreserved. Of this amount, 25.6 percent is designated for credit rating purposes and future use.

The Grant Fund has a total fund balance of \$4.6 million. The \$0.1 million increase in fund balance over the prior fiscal year is due primarily to an increase in grant revenues.

The Agricultural Land Preservation Fund has an unreserved fund balance of \$40.7 million, a decrease of \$5.1 million from the prior year. Of the unreserved fund balance, \$38.0 million is designated for future payments of principal on development rights. A decrease of \$2.4 million in transfer tax revenues and a decrease of \$1.1 million in investment income have contributed to the decrease in fund balance. The County's Agricultural Preservation program was very successful this year; adding over 1,700 acres to the program this fiscal year for a total of 34,387 acres of farmland throughout the County preserved.

The Capital Project Fund has a total fund balance of \$58.6 million; an \$18.8 million decrease over the prior fiscal year. Recordation tax receipts decreased \$4.6 million and transfer tax receipts decreased \$2.4 million over fiscal year 2008. Revenues from other agencies decreased \$8.2 million over the prior year. A major component of this decrease occurred in State recreation funds which experienced a decrease of \$3.2 million. Of the total fund balance, \$6.0 million is unreserved, but designated for future capital project expenditures. Unspent bond proceeds of \$24.3 million make up 41.5 percent of the total fund balance.

Proprietary funds The County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Water and Sewer Fund at the end of the year amounted to \$121.6 million and unrestricted net assets of the Internal Service Funds totaled \$8.7 million. The Water and Sewer Fund net assets decreased by \$0.6 million while the Internal Service Fund net assets increased by \$2.2 million. Other factors concerning the finances of the Water and Sewer Fund have been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The final budget of the General Fund was increased by \$22,812,194 over the original budget to provide appropriation authority for the refunding bond of 2009. The most significant variance between the final amended budget and actual results is found in a decrease in tax receipts. Rising unemployment, falling capital gains and consumer credit problems have served to limit the growth of taxable income causing a variance from the final budget of \$12.5 million. A negative variance of \$2.6 million is also found in Charges for Services, where decreased steam sales from the Waste to Energy plant of \$1.7 million and Board of Prisoner revenue from the State of Maryland of \$.7 million contributed to a budget variance. Faced with a decline in revenues during fiscal year 2009, County departments were asked to return up to 5 percent of their operating budget. As a result, General Fund expenditures were 4.7 percent less than the final budget.

Capital Asset and Debt Administration

Capital assets The County's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$972.2 million (net of accumulated depreciation). This investment in capital assets includes land, development rights, buildings, improvements, machinery and equipment, vehicles, park facilities, roads, highways and bridges and construction in process. The total increase in the County's investment in capital assets for the current fiscal year was 6.5 percent; a 7.5 percent increase for governmental activities and a 4.4 percent increase for business-type activities.

The County's Capital Assets

(Net of depreciation)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Land	\$ 230,139,499	\$ 222,975,372	\$ 1,968,528	\$ 1,892,812	\$ 232,108,027	\$ 224,868,184
Development Rights	106,957,627	92,451,283	-	-	106,957,627	92,451,283
Construction in Process	116,547,081	131,757,465	36,474,645	29,489,834	153,021,726	161,247,299
Building	51,883,975	46,964,392	80,076,124	83,780,469	131,960,099	130,744,861
Improvements	16,320,137	7,570,701	210,980,476	200,283,078	227,300,613	207,853,779
Equipment	10,202,388	12,398,905	2,956,154	2,631,597	13,158,542	15,030,502
Vehicle	18,421,667	17,492,553	1,048,181	1,299,814	19,469,848	18,792,367
Infrastructure	88,190,019	62,264,501	-	-	88,190,019	62,264,501
Total	\$ 638,662,393	\$ 593,875,172	\$ 333,504,108	\$ 319,377,604	\$ 972,166,501	\$ 913,252,776

Major capital asset events during the current fiscal year included the following:

- The Harford County Detention Center is undergoing a 288 bed expansion for medium security inmates. During fiscal year 2009, \$27.1 million of the \$29.4 million appropriated for the project was spent. Total project expenditures to date are \$28.8 million.
- The Abingdon Water Treatment Plant Expansion project will allow for an increase in the existing capacity of the water treatment plant from 10mgd to 30mgd as well as provide enhancements to plant safety and reliability. During fiscal year 2009, \$12.5 million was spent on the project for a total expenditure to date of \$15.6 million. Total appropriation for the project is \$81.4 million.

- An additional appropriation of \$9.4 million was added to the Fallston Senior Recreation Center project, a multipurpose center for all ages in the Fallston community, and a cooperative effort of County, State and Federal resources. To date, \$7.1 million of the total appropriation of \$9.9 million has been spent. During fiscal year 2009, \$6.6 million was spent for the project.

Additional information on Harford County's capital assets can be found in Note 4C, pages 55 & 56 of this report.

Education Capital Expenditures:

Board of Education and Community College projects made up 49.0 percent of the fiscal year 2009 Capital Budget. Some of the major expenditures were:

- The Bel Air High School Replacement Project has a total projected cost of \$82.5 million. During fiscal year 2009, \$27.9 million of the total appropriation was spent, increasing total project expenses to \$64.8 million. Appropriation for the project was increased during fiscal year 2009 from \$37.5 million to \$70.9 million.
- The Deerfield Elementary School Modernization project has a total projected cost of \$31.1 million. During fiscal year 2009, \$15.4 million appropriation was added to the project for total appropriation to date of \$19.4 million. The project provides for the replacement of the facility, originally constructed in 1963. During fiscal year 2009, \$9.5 million was spent for total expenditures to date of \$11.3 million.
- The Edgewood High School Replacement Project received additional appropriation of \$39.0 million during fiscal year 2009 for total appropriation to date of \$46.2 million. During the current year, \$33.9 million was spent, bringing total project expenses to date to \$38.9 million. The total projected cost for the on-site replacement and expansion of Edgewood High School, originally constructed in 1954, is estimated at \$85.8 million.
- An additional appropriation of \$0.7 million was added to the Aberdeen Hall Renovation project at Harford Community College. To date, \$6.3 million of the total appropriation of \$7.0 million has been spent. During fiscal year 2009, \$1.9 million was spent for upgrades to the facility which houses the HCC science programs, including laboratories, classrooms and offices.

Long-term debt At the end of the current fiscal year, the County had total debt outstanding of \$478.5 million. Of this amount, \$88.4 million is considered self-supporting debt, funded through various surcharges and assessments related to the operation of the water and sewer systems of the County. Also considered self-supporting are \$58.2 million in installment contracts to purchase easements for agricultural land preservation, payable from special revenue funds supported through one-half of one percent of the transfer tax levy.

The County's Outstanding Debt

Bonds, Notes and Capital Leases

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Bonded						
Debt	\$ 359,657,595	\$ 273,848,938	\$ 88,110,699	\$ 74,150,409	\$ 447,768,294	\$ 347,999,347
Notes Payable	10,181,999	10,590,000	71,406	105,683	10,253,405	10,695,683
Capital Leases	20,325,901	17,406,894	197,564	258,656	20,523,465	17,665,550
	<u>\$ 390,165,495</u>	<u>\$ 301,845,832</u>	<u>\$ 88,379,669</u>	<u>\$ 74,514,748</u>	<u>\$ 478,545,164</u>	<u>\$ 376,360,580</u>

The County's total debt increased by \$102.2 million; i.e. 27.2 percent, during the current fiscal year. For the governmental activities, total debt increased \$88.3 million due to a general obligation bond sale of \$96.1 million, a refunding bond of \$21.7 million, a note payable of \$1.3 million, a lease of \$7.0 million and Agricultural Land Preservation development rights purchases of \$7.1 million offset by principal payments and reductions of \$22.7 million and \$22.2 million debt refunded. In business-type activities, debt principal payments of \$10.3 million and \$4.4 million debt refunded were offset by a general obligation bond sale of \$23.9 million, a refunding bond of \$4.3 million, a USDA bond of \$0.4 million.

The County has maintained its high credit rating this fiscal year. The ratings are "AA+" from Standard and Poors Corp., "AA+" from Fitch Investors Services and "Aa1" from Moody's Investors Service.

State statutes limit the amount of general obligation debt a government entity may issue up to 15.0 percent of its net assessed valuation of personal and corporate property plus 6.0 percent of the net assessed valuation of real property. The current debt limitation for the County is \$1.7 billion, which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note 4F on pages 61 to 71 of this report.

Economic Factors and Next Year's Budgets and Rates

- Net property tax receipts recorded in the General Fund for fiscal year 2010 are expected to grow by 9.13 percent over those projected for fiscal year 2009. Property tax revenue projections were revised downward from an 11.55 percent increase over the prior year pursuant to the County Council adoption of Resolution No. 06-09. This resolution reduced the property tax rate from \$1.082 to \$1.064 for real property and decreased the personal property tax rate from \$2.705 to \$2.660 per \$100 of assessed valuation. This decrease in the property tax rate is projected to cause a \$5.5 million drop in revenue for fiscal year 2010. Despite the reduction in the property tax rate, tax revenues are projected to grow, although at a slower rate, as State assessment increases are phased in over a three year period.
- Income tax revenues are projected to decline over the previous year due, in part, to rising unemployment, a downturn in capital gains and a slowdown of the overall economy which limits the growth of taxable income. These factors are projected to lower the County's income tax receipts by \$22.3 million. As a result, income tax receipts are projected to decline by 12.55% for fiscal year 2010.
- Recordation tax is imposed, by State law, on every instrument of writing recorded with the Clerk of the Circuit Court. Revenues from recordation tax are budgeted at \$8.6 million for fiscal year 2010, a decrease of \$7.9 million from the fiscal year 2009 budget.

- The Board of Education is being funded at the 2009 budget level of \$210.9 million. The State's Maintenance of Effort law required no County increase in school funding due to a decline in projected student enrollment.
- Harford Community College and the Library System are both being funded for the fiscal year 2010 budget at levels below the fiscal year 2009 allocations; a reduction of \$0.8 million for the College and \$1.4 million for the Library. The Library has taken corresponding measures to reduce expenses, including furlough days and reductions in hours of operation.

These and other economic factors were considered when preparing the fiscal year 2010 General Fund budget, which reflects an unprecedented reduction of \$26.1 million over the fiscal year 2009 budget. Five furlough days for all government employees, exclusive of Public Safety and Education, have been incorporated into the 2010 budget and thirty four employees have been laid off. A number of other cost saving measures have been instituted which include restriction of overtime, training, and other post employment benefits. Uniform cleaning allowances and tuition reimbursements have been suspended for fiscal year 2010. Public outreach programs, transit services and HazMat response times have been affected. During the current fiscal year, unreserved fund balance in the general fund decreased from \$69.3 million to \$53.4 million. Unreserved fund balance in the General Fund exceeded the five percent reserve for credit rating purposes by \$30.4 million at June 30, 2009. Fund balance appropriated was budgeted in fiscal year 2010 at \$2.0 million, a decrease of \$18.3 million from fund balance appropriated in the fiscal year 2009 budget.

There are no new taxes to fund the fiscal year 2010 budget. The income tax rate of 3.06 percent is unchanged. The real and personal property tax rate, as mentioned earlier was lowered from \$1.082 to \$1.064 per \$100 of assessed value and the personal property tax rate was lowered from \$2.705 to \$2.660 per \$100 of assessed value. The Homestead Tax Credit rate was lowered from 10 percent to 9 percent for Harford County for fiscal year 2009 and will be lowered in fiscal year 2011 to 5 percent.

The Water and Sewer Fund rates will increase by 3.8 percent for fiscal year 2010. The Water and Sewer rates affect both residential and industrial consumers by adjusting rates to the change in the Consumer Price Index each fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, Harford County Government, 220 S. Main Street, Bel Air, Maryland, 21014.

The County's component units issue their own separately audited financial statements. These statements may be obtained by directly contacting the component unit, contact information can be found on page 34 of this report.

Basic Financial Statements

HARFORD COUNTY, MARYLAND

Statement of Net Assets

June 30, 2009

	Primary Government		
	Governmental	Business-Type	Total Primary
	Activities	Activities	Government
ASSETS			
Equity in Pooled Cash and Investments	\$ 168,968,011	\$ 87,093,576	\$ 256,061,587
Cash and Investments	33,525	650	34,175
Taxes and Accounts Receivable (Net)	5,489,274	9,219,374	14,708,648
Federal and State Receivable	45,316,073	321,310	45,637,383
Internal Balances	9,465	(9,465)	-
Due From Primary Government	-	-	-
Inventories	2,079,969	1,124,581	3,204,550
Loans Receivable	638,601	-	638,601
Other Assets	724,705	-	724,705
Deposit with Trustee	3,233,617	-	3,233,617
Benefit Assessments	268,799	42,698,954	42,967,753
Restricted Assets--Cash & Investments	69,085,874	32,312,658	101,398,532
Unamortized Bond Costs	1,195,910	379,778	1,575,688
Capital Assets:			
Land, Land Improvements, Development Rights and CIP	453,644,207	38,443,173	492,087,380
Other Capital Assets, Net of Depreciation	185,018,186	295,060,935	480,079,121
Total Assets	<u>\$ 935,706,216</u>	<u>\$ 506,645,524</u>	<u>\$ 1,442,351,740</u>
LIABILITIES			
Accounts Payable	\$ 12,176,440	\$ 5,134,293	\$ 17,310,733
Cash Overdraft	-	-	-
Due to Component Units	26,970,164	-	26,970,164
Retainages Payable	1,723,907	1,650,926	3,374,833
Payable to State of Maryland	39,359	1,340,813	1,380,172
Accrued Expenses	9,897,382	1,231,189	11,128,571
Unearned Revenue	7,070,748	9,915	7,080,663
Performance Deposits	564,455	85,946	650,401
Premium	16,651,281	4,557,340	21,208,621
Escrow Accounts	1,404,821	2,610,742	4,015,563
Other Liabilities	388,759	-	388,759
Noncurrent Liabilities:			
Due within one year	35,191,660	11,182,413	46,374,073
Due in more than one year	422,103,905	79,852,851	501,956,756
Total Liabilities	<u>534,182,881</u>	<u>107,656,428</u>	<u>641,839,309</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	559,243,688	277,437,097	836,680,785
Restricted for:			
Highways Projects	22,463,078	-	22,463,078
Agricultural Land Preservation	40,738,989	-	40,738,989
Board of Education	10,166,459	-	10,166,459
Grant Programs	4,635,607	-	4,635,607
Other Purposes	838,379	-	838,379
Unrestricted	(236,562,865)	121,551,999	(115,010,866)
Total Net Assets	<u>401,523,335</u>	<u>398,989,096</u>	<u>800,512,431</u>
Total Liabilities and Net Assets	<u>\$ 935,706,216</u>	<u>\$ 506,645,524</u>	<u>\$ 1,442,351,740</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND

Statement of Net Assets

June 30, 2009

(continued)

Exhibit 1

Component Units			
Board of Education	Harford Center, Inc.	Harford Community College	Harford County Library
\$ -	\$ -	\$ -	\$ -
15,577,011	1,006,730	27,193,160	2,519,347
923,925	2,381	1,003,065	13,420
3,645,815	-	1,559,819	32,279
-	-	-	-
26,507,774	-	340,130	122,260
862,161	-	535,339	-
-	-	-	-
-	-	394,858	51,020
6,782,710	-	990,281	2,155,055
-	-	-	-
-	-	5,095,468	-
-	-	-	-
215,727,471	-	17,016,555	-
267,482,312	554,290	47,232,264	4,604,903
<u>\$ 537,509,179</u>	<u>\$ 1,563,401</u>	<u>\$ 101,360,939</u>	<u>\$ 9,498,284</u>
\$ 20,531,551	\$ 24,192	\$ 2,724,104	\$ 191,463
722,533	-	-	26,019
-	-	-	-
-	-	494,780	-
-	-	-	-
2,021,920	49,264	739,576	269,691
1,390,513	-	2,010,522	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	718,948	31,652
1,687,031	-	101,573	7,985
82,200,859	-	1,051,680	2,176,065
<u>108,554,407</u>	<u>73,456</u>	<u>7,841,183</u>	<u>2,702,875</u>
472,628,213	554,290	64,248,819	4,604,903
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
7,868,560	3,160	5,696,343	49,881
(51,542,001)	932,495	23,574,594	2,140,625
428,954,772	1,489,945	93,519,756	6,795,409
<u>\$ 537,509,179</u>	<u>\$ 1,563,401</u>	<u>\$ 101,360,939</u>	<u>\$ 9,498,284</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND

Statement of Activities For the year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Revenues
Primary Government:					
Government Activities					
Agricultural Preservation	\$ 5,695,097	\$ -	\$ 87,132	\$ -	\$ 87,132
County Council	2,243,875	-	89,621	-	89,621
Education-Primary thru Com. College	319,330,062	-	-	-	-
General Government	51,703,093	2,149,523	2,797,181	36,891	4,983,595
Harford Center	582,143	-	-	-	-
Judicial	10,206,733	-	1,565,924	-	1,565,924
Libraries	16,809,566	-	-	-	-
Parks and Recreation	14,431,566	717,313	251,186	2,715,613	3,684,112
Public Safety	95,086,768	5,370,147	4,349,499	309,528	10,029,174
Public Works	60,809,936	11,573,060	12,394,813	6,148,474	30,116,347
Social Services & Health	28,677,264	452,859	14,938,390	-	15,391,249
Unallocated Debt Interest and Other Costs	10,563,561	-	-	-	-
Total Government Activities	<u>616,139,664</u>	<u>20,262,902</u>	<u>36,473,746</u>	<u>9,210,506</u>	<u>65,947,154</u>
Business-type Activities					
Water and Sewer	<u>40,862,648</u>	<u>24,001,673</u>	<u>-</u>	<u>10,366,224</u>	<u>34,367,897</u>
Total Business-type Activities	<u>40,862,648</u>	<u>24,001,673</u>	<u>-</u>	<u>10,366,224</u>	<u>34,367,897</u>
Total Primary Government	<u>\$ 657,002,312</u>	<u>\$ 44,264,575</u>	<u>\$ 36,473,746</u>	<u>\$ 19,576,730</u>	<u>\$ 100,315,051</u>
Component Units:					
Board of Education	\$ 529,044,740	\$ 10,162,013	\$ 106,729,436	\$ 104,870,845	\$ 221,762,294
Harford Center, Inc.	1,676,935	22,205	1,217,291	-	1,239,496
Harford Community College	50,653,934	16,520,731	34,345,724	5,236,191	56,102,646
Harford County Library	19,846,265	815,854	2,682,382	-	3,498,236
Total Component Units	<u>\$ 601,221,874</u>	<u>\$ 27,520,803</u>	<u>\$ 144,974,833</u>	<u>\$ 110,107,036</u>	<u>\$ 282,602,672</u>

General Revenues:

Taxes:

Property Taxes
Income Taxes
Impact Taxes
911 Program Taxes
Recordation Taxes
Transfer Taxes
Other Taxes

Investment Earnings

Grants and Contributions not Restricted to Specific Purposes

Miscellaneous

Total General Revenues

Change in net assets

Net Assets--Beginning

Net Assets--Ending

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND

Statement of Activities For the year Ended June 30, 2009

(continued)

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets						
Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Board Of Education	Harford Center, Inc.	Harford Community College	Harford County Library
\$ (5,607,965)	\$ -	\$ (5,607,965)	\$ -	\$ -	\$ -	\$ -
(2,154,254)	-	(2,154,254)	-	-	-	-
(319,330,062)	-	(319,330,062)	-	-	-	-
(46,719,498)	-	(46,719,498)	-	-	-	-
(582,143)	-	(582,143)	-	-	-	-
(8,640,809)	-	(8,640,809)	-	-	-	-
(16,809,566)	-	(16,809,566)	-	-	-	-
(10,747,454)	-	(10,747,454)	-	-	-	-
(85,057,594)	-	(85,057,594)	-	-	-	-
(30,693,589)	-	(30,693,589)	-	-	-	-
(13,286,015)	-	(13,286,015)	-	-	-	-
(10,563,561)	-	(10,563,561)	-	-	-	-
(550,192,510)	-	(550,192,510)	-	-	-	-
-	(6,494,751)	(6,494,751)	-	-	-	-
-	(6,494,751)	(6,494,751)	-	-	-	-
(550,192,510)	(6,494,751)	(556,687,261)	-	-	-	-
-	-	-	(307,282,446)	-	-	-
-	-	-	-	(437,439)	-	-
-	-	-	-	-	5,448,712	-
-	-	-	-	-	-	(16,348,029)
-	-	-	(307,282,446)	(437,439)	5,448,712	(16,348,029)
269,385,374	-	269,385,374	-	-	-	-
136,159,443	-	136,159,443	-	-	-	-
2,436,848	-	2,436,848	-	-	-	-
1,716,446	-	1,716,446	-	-	-	-
7,862,098	1,572,507	9,434,605	-	-	-	-
9,146,529	-	9,146,529	-	-	-	-
758,931	-	758,931	-	-	-	-
7,883,023	4,488,011	12,371,034	225,730	(55,300)	(697,216)	65,498
100,161	-	100,161	360,570,616	582,143	3,940,729	16,135,917
2,863,224	-	2,863,224	2,204,313	-	-	-
438,312,077	6,060,518	444,372,595	363,000,659	526,843	3,243,513	16,201,415
(111,880,433)	(434,233)	(112,314,666)	55,718,213	89,404	8,692,225	(146,614)
513,403,768	399,423,329	912,827,097	373,236,559	1,400,541	84,827,531	6,942,023
\$ 401,523,335	\$ 398,989,096	\$ 800,512,431	\$ 428,954,772	\$ 1,489,945	\$ 93,519,756	\$ 6,795,409

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND**Balance Sheet
Governmental Funds
June 30, 2009**

	General	Highways	Grant
ASSETS			
Equity in Pooled Cash and Investments	\$ 55,528,094	\$ 21,547,414	\$ 6,951,049
Cash and Investments	33,175	-	-
Taxes and Accounts Receivable (Net)	2,555,126	200,940	2,725,485
Federal and State Receivable	38,145,916	1,439,702	4,388,683
Inventories	-	2,079,969	-
Loans Receivable	638,601	-	-
Other Assets	593,423	131,282	-
Deposit with Trustee	-	-	-
Benefit Assessment	-	-	-
Investments-Restricted	6,778,472	-	-
Total Assets	<u>\$ 104,272,807</u>	<u>\$ 25,399,307</u>	<u>\$ 14,065,217</u>
LIABILITIES			
Accounts Payable	\$ 4,150,144	\$ 1,496,671	\$ 1,048,388
Due to Component Units	-	-	-
Retainages Payable	-	-	-
Payable to State of Maryland	39,169	-	-
Accrued Expenditures	4,694,247	695,616	261,803
Unearned Revenue	1,029,257	-	5,444,814
Deferred Revenue	23,634,352	101,976	2,674,605
Performance Deposits	252,646	311,809	-
Escrow Accounts	141,504	432,133	-
Other Liabilities	388,759	-	-
Total Liabilities	<u>34,330,078</u>	<u>3,038,205</u>	<u>9,429,610</u>
FUND BALANCES			
Reserved	16,515,456	3,074,420	1,202,525
Unreserved:			
Designated for Future Use	2,038,000	2,270,299	-
Designated for Credit Rating Purposes	23,071,182	2,667,357	-
Designated for Other Purposes	15,364,507	-	-
Undesignated Major Funds	12,953,584	14,349,026	3,433,082
Undesignated Non Major Special Revenue Fund	-	-	-
Total Fund Balances	<u>69,942,729</u>	<u>22,361,102</u>	<u>4,635,607</u>
Total Liabilities and Fund Balances	<u>\$ 104,272,807</u>	<u>\$ 25,399,307</u>	<u>\$ 14,065,217</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND

Balance Sheet Governmental Funds June 30, 2009

(continued)

Exhibit 3

Agricultural Land Preservation	Capital Project	Non Major Parks & Recreation	Total Governmental Funds
\$ 2,771,432	\$ 67,087,810	\$ 141,199	\$ 154,026,998
-	-	350	33,525
-	2,406	1,709	5,485,666
-	1,341,772	-	45,316,073
-	-	-	2,079,969
-	-	-	638,601
-	-	-	724,705
-	1,275,537	-	1,275,537
-	268,799	-	268,799
37,983,430	24,323,972	-	69,085,874
<u>\$ 40,754,862</u>	<u>\$ 94,300,296</u>	<u>\$ 143,258</u>	<u>\$ 278,935,747</u>
\$ 13,339	\$ 5,312,482	\$ 21,048	\$ 12,042,072
-	26,970,164	-	26,970,164
-	1,723,907	-	1,723,907
-	-	190	39,359
2,534	-	18,956	5,673,156
-	596,677	-	7,070,748
-	268,800	-	26,679,733
-	-	-	564,455
-	816,499	14,685	1,404,821
-	-	-	388,759
<u>15,873</u>	<u>35,688,529</u>	<u>54,879</u>	<u>82,557,174</u>
-	52,616,115	11,955	73,420,471
1,535,554	5,995,652	-	11,839,505
-	-	-	25,738,539
37,983,430	-	-	53,347,937
1,220,005	-	-	31,955,697
-	-	76,424	76,424
<u>40,738,989</u>	<u>58,611,767</u>	<u>88,379</u>	<u>196,378,573</u>
<u>\$ 40,754,862</u>	<u>\$ 94,300,296</u>	<u>\$ 143,258</u>	

Internal balances are reported as a result of the entity wide statements thus are not reported in the fund statements.

9,465

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

634,074,506

Unamortized bond costs are not financial resources and therefore are not reported in the funds.

1,156,976

Some of the County's revenues will be collected after year-end, but not available soon enough to pay for the current period expenditures, and therefore are reported as deferred revenues in the funds.

26,679,733

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. These assets and liabilities of the internal service funds are included in the statement of net assets.

8,989,664

Long-term liabilities, including bonds payable, compensated absences, bond premium, and accrued bond interest are not due and payable in the current period and therefore are not reported in the funds.

(465,765,582)

Net Assets of Governmental Activities

\$ 401,523,335

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	General	Highways	Grant
REVENUES			
Taxes	\$ 399,077,845	\$ 36,581,338	\$ -
Revenues from Other Agencies	2,420,711	12,390,632	21,279,822
Investment Income	3,184,705	308,571	1,145
Charges for Current Services	16,315,711	603,760	830,618
Miscellaneous	1,091,942	354,004	659,189
Licenses and Permits	2,746,769	-	-
Fines and Forfeitures	98,554	8,052	186,910
Total Revenues	<u>424,936,237</u>	<u>50,246,357</u>	<u>22,957,684</u>
EXPENDITURES			
Current:			
Agricultural Preservation	-	-	-
County Council	2,092,538	-	89,428
General Government	40,722,767	-	3,223,747
Education-Primary thru Comm. College	219,788,540	3,130,000	-
Harford Center	582,143	-	-
Judicial	7,622,725	-	1,866,275
Libraries	16,135,917	-	-
Parks, Recreation and Natural Resources	10,101,306	-	349,903
Public Safety	82,533,548	895,244	3,280,206
Public Works	15,028,764	28,246,928	20,392
Social Services	12,401,005	-	16,828,183
Capital Outlay	-	-	-
Debt Service:			
Principal	20,146,093	565,499	-
Interest	11,074,993	82,078	-
Administrative Costs	554,917	-	-
Total Expenditures	<u>438,785,256</u>	<u>32,919,749</u>	<u>25,658,134</u>
(Deficiency) Excess of Revenues			
Over Expenditures	<u>(13,849,019)</u>	<u>17,326,608</u>	<u>(2,700,450)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	14,424,655	636,363	2,848,144
Transfers (Out)	(16,573,856)	(12,238,635)	-
Premium on Issuance of Bonds	8,106,323	-	-
Issuance of Bonds	21,738,036	-	-
Issuance of Notes Payable	-	-	-
Issuance of Installment Purchase Agreements	-	-	-
Payment to Escrow Agent for Refunding	(22,812,194)	-	-
Total Other Financing Sources and Uses	<u>4,882,964</u>	<u>(11,602,272)</u>	<u>2,848,144</u>
Net Change in Fund Balances	<u>(8,966,055)</u>	<u>5,724,336</u>	<u>147,694</u>
Fund Balances--Beginning	78,908,784	16,521,173	4,487,913
Increase in Inventory	-	115,593	-
Fund Balances--Ending	<u>\$ 69,942,729</u>	<u>\$ 22,361,102</u>	<u>\$ 4,635,607</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

(continued)

Exhibit 4

Agricultural Land Preservation	Capital Project	Non Major Parks & Recreation	Governmental Funds
\$ 4,573,265	\$ 12,435,362	\$ -	\$ 452,667,810
87,132	3,290,204	-	39,468,501
3,122,364	1,033,876	7,556	7,658,217
-	-	660,530	18,410,619
10,647	1,543,533	94	3,659,409
-	-	-	2,746,769
-	-	-	293,516
<u>7,793,408</u>	<u>18,302,975</u>	<u>668,180</u>	<u>524,904,841</u>
14,419,355	-	-	14,419,355
-	-	-	2,181,966
-	-	-	43,946,514
-	-	-	222,918,540
-	-	-	582,143
-	-	-	9,489,000
-	-	-	16,135,917
-	-	689,154	11,140,363
-	-	-	86,708,998
-	-	-	43,296,084
-	-	-	29,229,188
-	146,470,982	-	146,470,982
1,424,166	-	-	22,135,758
2,953,784	-	-	14,110,855
130,708	-	-	685,625
<u>18,928,013</u>	<u>146,470,982</u>	<u>689,154</u>	<u>663,451,288</u>
<u>(11,134,605)</u>	<u>(128,168,007)</u>	<u>(20,974)</u>	<u>(138,546,447)</u>
-	25,964,347	-	43,873,509
-	(15,061,018)	-	(43,873,509)
-	-	-	8,106,323
-	96,100,000	-	117,838,036
-	1,316,999	-	1,316,999
6,031,935	1,033,954	-	7,065,889
-	-	-	(22,812,194)
<u>6,031,935</u>	<u>109,354,282</u>	<u>-</u>	<u>111,515,053</u>
<u>(5,102,670)</u>	<u>(18,813,725)</u>	<u>(20,974)</u>	<u>(27,031,394)</u>
45,841,659	77,425,492	109,353	223,294,374
-	-	-	115,593
<u>\$ 40,738,989</u>	<u>\$ 58,611,767</u>	<u>\$ 88,379</u>	<u>\$ 196,378,573</u>

The accompanying notes to the basic financial statements are an integral part of this statement.



HAVRE DE GRACE SENIOR CENTER

This multigenerational center opened in March of 2007 and functions as a senior center operated by the Office on Aging during the weekdays, a Boys and Girls Club operated by a nonprofit during weekday afternoons and summers and as a recreation center with programs through the Havre de Grace Recreation Committee in the evenings and weekends. Total expenditures for the building and construction of adjoining fields were in excess of \$8 million.

HARFORD COUNTY, MARYLAND
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of the Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2009

Exhibit 5

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances--total governmental funds	\$ (27,031,394)
---	-----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	34,707,266
---	------------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(20,870,415)
---	--------------

The issuance of long-term debt (i.e. bonds, leases, installment purchase agreements) proceeds provide current financial resources to governmental funds, while the repayment of the principal of the long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(89,566,085)
--	--------------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(11,086,751)
---	--------------

Eliminating the effect of the internal service fund using the "look-back" method resulted in a decrease in expenses in the governmental activities in the statement of activities.	(210,393)
--	-----------

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>2,177,339</u>
---	------------------

Change in net assets of governmental activities	\$ <u><u>(111,880,433)</u></u>
---	--------------------------------

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement Of Revenues, Expenditures, Encumbrances
And Changes In Fund Balances
Budgetary Basis (Non-GAAP) vs. Actual
Governmental Funds
For The Year Ended June 30, 2009

	General			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 411,555,592	\$ 411,555,592	\$ 399,077,845	\$ (12,477,747)
Revenues from Other Agencies	2,288,258	2,288,258	2,420,711	132,453
Investment Income	2,593,941	2,593,941	3,184,705	590,764
Charges for Current Services	18,907,239	18,907,239	16,315,711	(2,591,528)
Miscellaneous	10,266,248	10,266,248	10,994,834	728,586
Licenses and Permits	3,530,204	3,530,204	2,746,769	(783,435)
Fines and Forfeitures	130,175	130,175	98,554	(31,621)
Total Revenues	<u>449,271,657</u>	<u>449,271,657</u>	<u>434,839,129</u>	<u>(14,432,528)</u>
EXPENDITURES				
Current:				
Agricultural Preservation	-	-	-	-
County Council	2,363,505	2,363,505	2,085,001	278,504
General Government	49,468,602	49,468,602	45,786,015	3,682,587
Education-Primary thru Comm. College	227,693,543	227,693,543	222,918,540	4,775,003
Harford Center	582,143	582,143	582,143	-
Judicial	7,822,719	7,822,719	7,551,639	271,080
Libraries	16,667,988	16,667,988	16,135,917	532,071
Parks, Recreation and Natural Resources	10,742,955	10,742,955	9,899,809	843,146
Public Safety	86,125,457	86,125,457	83,222,677	2,902,780
Public Works	16,643,558	16,643,558	15,222,701	1,420,857
Social Services	13,547,752	13,547,752	12,148,077	1,399,675
	<u>431,658,222</u>	<u>431,658,222</u>	<u>415,552,519</u>	<u>16,105,703</u>
Debt Service	37,679,318	37,679,318	31,776,003	5,903,315
Total Expenditures	<u>469,337,540</u>	<u>469,337,540</u>	<u>447,328,522</u>	<u>22,009,018</u>
(Deficiency)/Excess of Revenues Over Expenditures	<u>(20,065,883)</u>	<u>(20,065,883)</u>	<u>(12,489,393)</u>	<u>7,576,490</u>
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	20,340,225	20,340,225	7,606,429	(12,733,796)
Transfers In	17,713,448	17,713,448	14,424,655	(3,288,793)
Transfers (Out)	(17,987,790)	(17,987,790)	(16,573,856)	1,413,934
Issuance of Bonds	-	22,812,194	21,738,036	(1,074,158)
Premium on Issuance of Bonds	-	-	8,106,323	8,106,323
Issuance of Installment Purchase Agreements	-	-	-	-
Payment to Escrow Agent for Refunding	-	(22,812,194)	(22,812,194)	-
Total Other Financing Sources (Uses)	<u>20,065,883</u>	<u>20,065,883</u>	<u>12,489,393</u>	<u>(7,576,490)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Less: Appropriated Fund Balance			(7,606,429)	
Fund Balance - Beginning			80,186,420	
Prior Year Encumbrances Cancelled			730,760	
Increase in Inventory			-	
Fund Balance - Ending			<u>\$ 73,310,751</u>	

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement Of Revenues, Expenditures, Encumbrances
And Changes In Fund Balances
Budgetary Basis (Non-GAAP) vs. Actual
Governmental Funds
For The Year Ended June 30, 2009
(continued)

Exhibit 6

Highways				Agricultural Land Preservation			
Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive(Negative)	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive(Negative)
Original	Final			Original	Final		
\$ 33,811,605	\$ 33,811,605	\$ 36,581,338	\$ 2,769,733	\$ 5,622,718	\$ 5,622,718	\$ 4,573,265	\$ (1,049,453)
14,499,660	14,499,660	12,390,632	(2,109,028)	178,493	178,493	87,132	(91,361)
120,497	120,497	308,571	188,074	86,524	86,524	3,122,364	3,035,840
5,230,330	5,230,330	3,599,008	(1,631,322)	-	-	-	-
4,402,051	4,402,051	5,640,594	1,238,543	25,000	25,000	10,647	(14,353)
-	-	-	-	-	-	-	-
4,000	4,000	8,052	4,052	-	-	-	-
<u>58,068,143</u>	<u>58,068,143</u>	<u>58,528,195</u>	<u>460,052</u>	<u>5,912,735</u>	<u>5,912,735</u>	<u>7,793,408</u>	<u>1,880,673</u>
-	-	-	-	3,101,225	14,548,225	14,419,166	129,059
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,130,000	3,130,000	3,130,000	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
895,244	895,244	895,244	-	-	-	-	-
41,693,874	41,693,874	36,021,263	5,672,611	-	-	-	-
-	-	-	-	-	-	-	-
<u>45,719,118</u>	<u>45,719,118</u>	<u>40,046,507</u>	<u>5,672,611</u>	<u>3,101,225</u>	<u>14,548,225</u>	<u>14,419,166</u>	<u>129,059</u>
652,579	652,579	647,577	5,002	4,989,660	4,542,660	4,508,658	34,002
<u>46,371,697</u>	<u>46,371,697</u>	<u>40,694,084</u>	<u>5,677,613</u>	<u>8,090,885</u>	<u>19,090,885</u>	<u>18,927,824</u>	<u>163,061</u>
11,696,446	11,696,446	17,834,111	6,137,665	(2,178,150)	(13,178,150)	(11,134,416)	2,043,734
-	-	-	-	1,178,150	12,178,150	5,102,481	(7,075,669)
542,189	542,189	636,363	94,174	-	-	-	-
(12,238,635)	(12,238,635)	(12,238,635)	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,000,000	1,000,000	6,031,935	5,031,935
-	-	-	-	-	-	-	-
<u>(11,696,446)</u>	<u>(11,696,446)</u>	<u>(11,602,272)</u>	<u>94,174</u>	<u>2,178,150</u>	<u>13,178,150</u>	<u>11,134,416</u>	<u>(2,043,734)</u>
\$ <u>-</u>	\$ <u>-</u>	6,231,839	\$ <u>6,231,839</u>	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
		-				(5,102,481)	
		15,158,503				45,844,004	
		556,332				-	
		<u>115,593</u>				<u>-</u>	
		\$ <u>22,062,267</u>				\$ <u>40,741,523</u>	

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND

Statement of Net Assets

Proprietary Funds

June 30, 2009

Exhibit 7

	Business-Type Activities-- Enterprise Fund Water and Sewer	Governmental Activities-- Internal Service Funds
ASSETS		
Current Assets:		
Equity in Pooled Cash and Investments	\$ 87,093,576	\$ 14,941,013
Cash and Investments	650	-
Restricted Assets - Investments	32,312,658	-
Taxes and Accounts Receivable (Net)	9,219,374	3,608
Federal and State Receivable	321,310	-
Inventories	1,124,581	-
Deposit with Trustee	-	1,958,080
Benefit Assessments	2,546,541	-
Total Current Assets	<u>132,618,690</u>	<u>16,902,701</u>
Noncurrent Assets:		
Benefit Assessments	40,152,413	-
Unamortized Bond/Lease Costs	379,778	38,934
Capital Assets, Net of Depreciation		
Land	1,968,528	-
Construction in Process	36,474,645	-
Property, Plant & Equipment	295,060,935	4,587,887
Total Capital Assets	<u>333,504,108</u>	<u>4,587,887</u>
Total Noncurrent Assets	<u>374,036,299</u>	<u>4,626,821</u>
Total Assets	<u>\$ 506,654,989</u>	<u>\$ 21,529,522</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 893,312	\$ 134,368
Accounts Payable from Restricted Assets	4,240,981	-
Retainage Payable from Restricted Assets	1,650,926	-
Payable to the State of Maryland	1,340,813	-
Accrued Expenses	1,231,189	42,191
Deferred Revenue	9,915	-
Performance Deposits	85,946	-
Escrow Accounts	2,610,742	-
Compensated Absences-Current	1,052,391	-
Bonds Payable-Current	10,031,325	-
Loans Payable-Current	35,283	-
Leases Payable-Current	63,414	1,314,656
Estimated Current Liability for Claims in Process	-	1,544,034
Total Current Liabilities	<u>23,246,237</u>	<u>3,035,249</u>
Noncurrent Liabilities:		
Compensated Absences	1,603,204	-
Bonds Payable (net of unamortized discounts)	78,079,374	-
Loans Payable	36,123	-
Leases Payable	134,150	5,685,344
Bond Premium	4,557,340	-
Estimated Liability for Claims in Process	-	3,819,265
Total Noncurrent Liabilities	<u>84,410,191</u>	<u>9,504,609</u>
Total Liabilities	<u>107,656,428</u>	<u>12,539,858</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	277,437,097	(454,033)
Restricted for Worker Compensation Claims	-	750,000
Unrestricted	121,561,464	8,693,697
Total Net Assets	<u>398,998,561</u>	<u>8,989,664</u>
Total Liabilities and Net Assets		<u>\$ 21,529,522</u>
The net result of the look-back approach for consolidating the Internal Service fund is an interfund payable for the business-type activities in the Statement of Net Assets	<u>(9,465)</u>	
Net Assets of Business-Type Activities	<u>\$ 398,989,096</u>	

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

Exhibit 8

	Business-Type Activities--	Governmental Activities--
	Enterprise Fund Water and Sewer	Internal Service Funds
Operating Revenues:		
Charges for Services	\$ -	\$ 6,836,648
Income from Water Operations	10,255,435	-
Income from Sewer Operations	12,441,722	-
Miscellaneous	1,304,516	335,622
Total Operating Revenues	<u>24,001,673</u>	<u>7,172,270</u>
Operating Expenses:		
General and Administrative Expenses	5,300,493	21,876
Operations and Maintenance-Water	10,659,853	-
Operations and Maintenance-Sewer	13,184,323	-
Insurance Claims and Expenses	-	4,675,520
Depreciation	8,909,341	451,971
Total Operating Expenses	<u>38,054,010</u>	<u>5,149,367</u>
Operating Income (Loss)	(14,052,337)	2,022,903
Non-operating Revenues (Expenses):		
Recordation Tax Revenue	1,572,507	-
Interest Income	4,488,011	224,805
Interest Expense	(2,809,004)	(68,320)
Other Income (Expense)	(210,027)	(2,049)
Total Non-operating Revenue (Expenses)	<u>3,041,487</u>	<u>154,436</u>
Income Before Contributions	(11,010,850)	2,177,339
Capital Contributions	10,366,224	-
Change in Net Assets	<u>(644,626)</u>	<u>2,177,339</u>
Total Net Assets--Beginning	399,643,187	6,812,325
Total Net Assets--Ending	<u>\$ 398,998,561</u>	<u>\$ 8,989,664</u>

**Reconciliation of the Statement of Revenues, Expenses and Changes in Fund
Net Assets of the Enterprise Fund to the Statement of Activities:**

Net change in Net Assets --total business type activities	\$ (644,626)
Eliminating the effect of the internal service fund, using the "look-back" method resulted in decreased expenses in the enterprise fund	<u>210,393</u>
Change in Net Assets of Business-Type Activities	<u>\$ (434,233)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement Of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

Exhibit 9

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	Enterprise Fund Water and Sewer	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 23,177,592	\$ -
Receipts from Interfund Services Provided	-	6,836,648
Receipts from Others for Claims	-	332,014
Receipts from Customer Deposits	1,010,711	-
Payment of Deposits to Customer	(348,476)	-
Payments to Employees for Services	(15,144,034)	-
Payments to Suppliers for Goods and Services	(13,527,728)	(419,575)
Payments for Claims	-	(3,871,083)
Payments to Self Insurance Fund	(223,963)	-
Net Cash (Used in) Provided by Operating Activities	<u>(5,055,898)</u>	<u>2,878,004</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(16,638,904)	(5,034,622)
Principal Payments on Long Term Debt	(10,463,934)	-
Proceeds from Loan	345,500	-
Proceeds from Bond/Lease Sale	28,151,964	7,000,000
Deposit with Trustee	-	(1,958,080)
Refund 1997 Bond	(4,345,000)	-
Premium and Accrued Interest, net of Underwriters Fees	2,007,573	-
Bond/Lease Service Costs	(195,593)	(13,840)
Interest Paid on Bonds/Leases	(3,386,732)	(26,129)
Proceeds from Federal and State Grants	616,102	-
Recordation Tax Revenue	1,785,656	-
Tap Fees in Excess of Connection Costs	8,502,890	-
Proceeds from Rental Income	25,053	-
Proceeds from Sale of Capital Assets	109,164	-
Net Cash Used in Capital and Related Financing Activities	<u>6,513,739</u>	<u>(32,671)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	4,517,392	224,805
Net Cash (Used in) Provided by Investing Activities	<u>4,517,392</u>	<u>224,805</u>
Net Increase in Cash and Cash Equivalents	<u>5,975,233</u>	<u>3,070,138</u>
Cash and Cash Equivalents, July 1 (including \$19,217,007 reported as restricted investments)	<u>113,431,651</u>	<u>11,870,875</u>
Cash and Cash Equivalents, June 30 (including \$32,312,658 reported as restricted investment)	<u>\$ 119,406,884</u>	<u>\$ 14,941,013</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Operating (Loss) Income	(14,052,337)	2,022,903
Adjustments to Reconcile Operating (Loss) Income to Net Cash (Used in) Provided by Operating Activities:		
Depreciation	8,909,341	451,971
(Increase) Decrease in Accounts Receivable	(785,166)	(3,608)
(Increase) Decrease in Inventory	(39,610)	-
Increase (Decrease) in Accounts Payable	113,654	34,159
Increase (Decrease) in Accrued Payroll	4,294	-
Increase (Decrease) Estimated Payables for Future Claims	-	372,579
Increase (Decrease) in Performance Deposits	9,829	-
Increase (Decrease) in Escrow Accounts	648,721	-
Increase (Decrease) in Deferred Revenue	(35,230)	-
Increase (Decrease) in Compensated Absences	170,606	-
Net Cash (Used in) Provided by Operating Activities	<u>\$ (5,055,898)</u>	<u>\$ 2,878,004</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Developer Contributions of Capital Assets to the Water & Sewer Fund	<u>\$ 2,020,476</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO EXHIBIT 7		
Equity in Pooled Cash and Investments	\$ 87,093,576	\$ 14,941,013
Cash and Investments	650	-
Investments - Current Restricted Assets	<u>32,312,658</u>	<u>-</u>
Cash and Cash Equivalents, June 30	<u>\$ 119,406,884</u>	<u>\$ 14,941,013</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Fiduciary Net Assets
June 30, 2009

Exhibit 10

	Pension Trust Funds	Other Post Employment Benefit Trust Fund	Private Purpose Trust Funds	Agency Fund
ASSETS				
Equity in Pooled Cash and Investments	\$ 588,405	\$ 21,453,828	\$ 1,674,341	\$ -
Accounts Receivable	-	-	28,814	21,494
Investments, at Fair Value				
Cash Equivalents	541,398	-	1,156,387	10,158,643
Fixed Income Fund	14,288,250	-	-	-
Equities & Equivalents	22,681,961	-	-	-
Total Investments	<u>37,511,609</u>	<u>-</u>	<u>1,156,387</u>	<u>10,158,643</u>
Total Assets	<u>38,100,014</u>	<u>21,453,828</u>	<u>2,859,542</u>	<u>10,180,137</u>
LIABILITIES				
Cash Overdraft	-	-	-	12,373
Accounts Payable	37,169	195	58,259	9,121
Deferred Revenue	-	-	1,156,387	-
Due to Beneficiary	-	-	-	10,158,643
Total Liabilities	<u>37,169</u>	<u>195</u>	<u>1,214,646</u>	<u>10,180,137</u>
NET ASSETS				
Held in Trust for pension benefits and other purposes	\$ <u>38,062,845</u>	\$ <u>21,453,633</u>	\$ <u>1,644,896</u>	\$ <u>-</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Changes in Fiduciary Net Assets
For Fiscal Year Ending June 30, 2009

Exhibit 11

	Pension Trust Funds	Other Post Employment Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS			
Contributions and Donations	\$ -	\$ -	\$ 164,324
Employee Contributions	472,619	-	-
Employer Contributions	2,745,971	12,284,000	-
Plan Sponsor Contributions	2,387,771	-	-
Retiree Contributions	-	441,200	-
Total Contributions	<u>5,606,361</u>	<u>12,725,200</u>	<u>164,324</u>
Investment Earnings			
Net Depreciation in Fair Value of Investments	(5,301,333)	-	-
Interest and Dividends	1,447,111	132,691	37,944
Total Investment Earnings	<u>(3,854,222)</u>	<u>132,691</u>	<u>37,944</u>
Less Investment Expense	(244,901)	-	-
Net Investment Income	<u>(4,099,123)</u>	<u>132,691</u>	<u>37,944</u>
Total Additions	<u>1,507,238</u>	<u>12,857,891</u>	<u>202,268</u>
DEDUCTIONS			
Administrative Expenses	85,232	-	-
Benefits	3,122,838	3,437,117	-
Contractual Service	-	-	191,211
Donations	-	-	27,000
Total Deductions	<u>3,208,070</u>	<u>3,437,117</u>	<u>218,211</u>
Change in Net Assets	(1,700,832)	9,420,774	(15,943)
Net Assets--Beginning of the Year	39,763,677	12,032,859	1,660,839
Net Assets--End of the Year	<u>\$ 38,062,845</u>	<u>\$ 21,453,633</u>	<u>\$ 1,644,896</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

Notes to the Basic Financial Statements

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

Harford County Government (the County) was formed in 1773. Under home rule, as approved during 1972, the County is governed by an elected County Executive and a seven-member County Council, with each serving separate executive and legislative functions. The accompanying financial statements include various agencies, departments, organizations and offices which are legally part of Harford County (the Primary Government) and the County's Component Units. The Primary Government's major operations include health and social services, public safety, public works, parks and recreation, road and highway administration, agricultural preservation and general administrative services. Harford Community College, Board of Education of Harford County, Harford County Library and Harford Center, Inc. are legally separate organizations included as component units.

Component units have been included within the financial reporting entity using a discrete presentation. The component units do not provide services entirely, or almost entirely, to the County nor are any of the governing boards substantially the same. Discrete presentations in the combined financial statements are created with separate columns for the individual component unit in the government-wide financial statements (see note below for description and for the specific factors that led to the inclusion in our financial statements) to emphasize that it is legally separate from the government.

Harford Community College – Operates the community college in Harford County. The College receives the major portion of its funding from Harford County Government and cannot issue debt or levy taxes.

Board of Education of Harford County – Operates all public schools (grades K through 12) within Harford County. The Board of Education receives the major portion of its funding from Harford County Government and cannot issue debt or levy taxes.

Harford County Library – Operates all public libraries within Harford County. The Library receives the major portion of its funding from Harford County Government and cannot issue debt or levy taxes.

Harford Center, Inc. – Operates a rehabilitation center for disabled individuals in Harford County. The Harford Center is partially funded by Harford County Government appropriations under Maryland State law. The Harford Center's 15 members of the Board of Directors are appointed by the County Executive.

Complete financial statements of individual component units can be obtained from their respective administrative offices listed below:

Harford Community College
401 Thomas Run Road
Bel Air, Maryland 21015

Harford Center, Inc.
4 North Earlton Road
Havre de Grace, Maryland 21078

**Board of Education
of Harford County**
102 S. Hickory Avenue
Bel Air, Maryland 21014

Harford County Library
1221 A Brass Mill Road
Belcamp, Maryland 21017

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide Financial Statements: The statement of net assets and the statement of changes in net assets, report information on all activities of the primary government and its component units, excluding fiduciary funds. The effect of interfund activity, such as transfers between funds, has been removed from these statements to minimize the double counting of internal activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable or for which their relationship with the County is of such significance that exclusion would cause the County's financial statements to be misleading.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, with the exception of agency funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become *susceptible to accrual*—that is, when they become both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property taxes, income taxes, state shared tax revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the County, the General Fund includes such activities as public safety, education, and recreation services.

The Highways Operating Fund accounts for dedicated revenues that are legally restricted to the maintenance, care, and repair of roads and bridges located outside the boundaries of the three incorporated municipalities in Harford County, all expenses of the County Department of Public Works concerning county highways, all expenses of the County and/or Sheriff's Office regarding traffic patrol and highway safety and County-related transportation expenses.

The Grants Fund accounts for the receipt, appropriation and expenditure of federal, state, and private monies in accordance with Harford County Charter, Article V.

The Agricultural Land Preservation Fund accounts for dedicated transfer tax revenues and provides for easement purchases of County agricultural land.

The Capital Project Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities of all major and non-major governmental funds.

The government reports the following major proprietary fund:

The Water and Sewer Fund accounts for the operation, maintenance, administration, and engineering of public water and sewer facilities.

Additionally, Harford County Government reports the following additional fund types:

Internal Service Funds:

Self-Insurance Fund:

This fund was established to account for the County's self-insurance program, which covers all County government agencies.

Fleet Management Fund:

This fund was established to account for the County's fleet management program, which is responsible for the procurement and maintenance of the County's motor fleet.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Pension and Other Employee Benefit Trust Funds:

Sheriff's Office Pension System;

This trust fund was established to account for the pension system of certain law enforcement and correctional employees of the Office of the Sheriff of Harford County.

Firemen's LOSAP;

This trust fund was established to account for the pension system for the volunteer fire personnel serving the various independent volunteer fire companies in the County.

OPEB (Other Post Employment Benefits);

This trust fund was established to account for the County's other post-employment benefits; the trust fund will act as a funding mechanism for the employers cost of retiree benefits.

Private Purpose Trust Funds are used to account for resources legally held in a trustee capacity and are comprised of:

Revolving Loan Fund;

This private purpose trust fund was established in February 1998. This account, joined with funding from several local lending institutions, provides loans to credit-worthy businesses unable to obtain financing through traditional sources due to limited equity, collateral or marginal cash flow and serves as an alternative incentive offered by the County to attract, expand or retain a small business by extending below market rates and favorable terms.

BVL Cooperating Parties Group;

This private purpose trust fund was established in September 1996 to account for revenues collected from potentially responsible parties for the purpose of undertaking the design and construction of the remedial systems deemed necessary at the Bush Valley Landfill Site.

Bar Library Trust Fund;

The Bar Library private purpose trust fund was established in 1999 to account for all expenditures associated with the operations of the Bar Library of the Circuit Court of Harford County. Fines and appearance fees provide the source of revenues.

Jeffrey Chenoweth Scholarship Trust Fund;

This fund accounts for principal amounts received and related interest income. This year the principal and related interest was donated and the trust fund was closed.

Agency Funds are resources held in a purely custodial capacity and are comprised of:

Pass-Through Grants;

This fund accounts for financial assistance received from other governments and transferred to another government, individual, not-for-profit or other organization. Harford County Government serves as an agent with little or no discretion in determining how the assistance will be used.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Harford County Public Entities Healthcare Consortium;

This fund was established to account for a rate stabilization reserve fund created for the Harford County Public Entities Healthcare Consortium. The consortium was formed for the purpose of pooling resources to purchase health insurance thereby reducing administrative expenses. Harford County Government serves as an agent with little or no discretion in determining how the funding will be directed.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide, the proprietary and the fiduciary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund are charges to customers for sales and services. The principal operating revenues of the Self-Insurance Fund are budget allocations from contributing County programs. The principal operating revenues of the Fleet management Fund and operating expenses for the Water and Sewer Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. Operating expenses for the Self Insurance Fund include insurance claims and expenses. Operating expenses of the Fleet Management Fund include all revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, and then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

a. POOLED CASH AND INVESTMENTS

The County operates a cash and investment pool for all funds of the Primary Government. Each fund has been allocated its respective share of pooled cash and investments as reflected in the fund financial statements as "equity in pooled cash and investments." In addition to participating in the County's cash and investment pool, each fund may maintain their own separate cash and investments that are specific to the individual fund.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Based on an average daily balance of each fund's equity in pooled cash and investments, investment income earned on the cash and investment pool is distributed monthly to the General, Highways, Agricultural Land Preservation, Self-Insurance, Fleet Management, Capital Projects, Enterprise, Parks & Recreation, four Private Purpose Trusts, Other Post Employment Benefits Trust fund and both Pension Trust funds. Investment income earned on individual funds' separate cash and investments is recorded monthly in the corresponding fund. Per management policy, investment income earned monthly by general county capital projects is transferred to the General Fund and investment income earned monthly on highways capital projects is transferred to the Highways Fund.

For purposes of the statement of cash flows, the County considers cash, equity in pooled cash and investments, and investments with maturities of three months or less, when acquired, to be cash equivalents.

State statutes authorize the County to invest in obligations of the United States Government, federal government agency obligations, secured time deposits in Maryland banks, bankers' acceptances, the Maryland Local Government Investment Pool, money market mutual funds, commercial paper and repurchase agreements secured by direct government or agency obligations.

The Maryland Local Government Investment Pool, (the "MLGIP") was created under Maryland State Law and is regulated by the Maryland State Treasurer's Office. It is maintained exclusively to assist eligible participants, as defined by Articles 95 and 22 of the Annotated Code of Maryland. The MLGIP may invest in any instrument in which the State Treasurer may invest. Permissible instruments are established by Section 6-222 of the State Finance and Procurement Article. No direct investment may have a maturity date of more than 13 months after its acquisition. Securities of the MLGIP are valued daily on an amortized cost basis, which approximates market value, and are held to maturity under normal circumstances.

The fair value of the position in the MLGIP is the same as the value of the MLGIP net assets (shares). The MLGIP is a 2a-7 like external investment pool, which issues a publicly available financial report that includes financial statements and required supplementary information for the MLGIP. This report can be obtained by writing: Maryland Local Government Investment Pool; c/o PNC Institutional Investments; Two Hopkins Plaza; 4th Floor; Baltimore, Maryland, 21201; or by calling 1-800-492-5160.

The County has an independent third party as custodian for securities collateralizing most repurchase agreements, certificates of deposit and all other investments. Collateralization is required on repurchase agreements and certificate of deposits at a level of 102 percent of market value of principal plus accrued interest. The County has an agreement with the custodian used for the overnight repurchase agreement whereby the County's authorization is needed to release any collateral held in the County's name. In order to mitigate risk, the County continually monitors the financial condition of this third party custodian.

Investments of the County are recorded at fair value, which is the quoted market price provided by Harford County's Custodian, except for the investments in the MLGIP and Money Market funds. MLGIP investments are recorded at cost, which approximates fair value. Investments in Money Market funds are valued at the closing net asset value per share on the day of valuation. Changes in fair value are reported as increases or decreases in investment income in the operating statements of the appropriate fund.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

b. PROPERTY TAXES RECEIVABLE AND OTHER RECEIVABLES

The County's real property tax is levied and recorded each July 1 on the assessed values certified as of that date for all taxable real property located in the County on that date. On January 1, a tax on real property constructed during the period of July 1 through December 31 is levied on the assessed value as of that date. Assessed values are established by the Maryland Department of Assessments and Taxation at assessed market value. A reassessment of all property is required to be completed every three years. All unpaid taxes on real property shall be, until paid, liens on the real property. The lien is imposed on the date the taxes are levied.

Currently, real property taxes are billed in two installments. The first installment is due by September 30 and the second installment is due by December 31. A service charge is assessed on the second payment to cover administrative costs and lost interest. Taxpayers have the option of paying the entire bill by the first installment date, thereby avoiding the service charge assessed on the second payment.

Discounts of 1 percent and 1/2 percent are allowed on the amount paid in July or August respectively for both annual and semi-annual property tax payments. Beginning October 1, interest of 1½ percent per month is charged for each month or fraction thereof that taxes remain unpaid on annual bills. Interest of 1½ percent per month is not charged on the second semi-annual installment until January 1 of the following year. In addition to interest, a 6 percent penalty is assessed on all unpaid delinquent property taxes on October 1. A penalty of 6 percent is imposed on the semi-annual installment overdue and in arrears on January 1. Any taxes not paid by the third Monday in June of the following year may subject the property to tax sale.

The County's real property tax rate for the year ended June 30, 2009, was \$1.082 per \$100 of assessed value for properties within the County, but not in an incorporated town and \$0.926 for properties within an incorporated town.

All receivables are reported at gross value and, where appropriate, reduced by the estimate considered to be uncollectible.

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

c. INVENTORIES

Inventories in the Highways special revenue fund are accounted for by the purchase method. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets of the respective fund. Reservations of fund balances for the amounts of inventory have been made to reflect the non-availability of those amounts for appropriation for expenditures. Inventory of the Board of Education General Fund is charged to expenditures as consumed. All inventories are valued at the lower of cost or market using the First-In/First-Out (FIFO) method.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

d. RESTRICTED ASSETS

Certain assets of the Governmental Activities are classified as restricted assets on the balance sheet. These assets include debt proceeds held by the MLGIP and drawn down as needed for capital project expenses. Included as restricted assets are investments in strip treasuries held to maturity for the final payment on the purchase of land development rights. Certain assets of the Business-type Activities are classified as restricted assets on the balance sheet. These assets include unspent bond proceeds limited by applicable bond covenants to specific capital projects.

e. CAPITAL ASSETS

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. The government defines capital assets, other than infrastructure, as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life in excess of one year. Infrastructure is defined as capital assets with an initial cost of \$50,000 or more, and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives. Interest expense is not capitalized in the current year due to immateriality. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Bridges	50
Buildings	40-50
Machinery and Equipment	5-10
Roads	15
Vehicles	7
Water and Sewer Lines and Improvements	10-75

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life is not capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

f. COMPENSATED ABSENCES

Vacation and personal leave benefits are earned by employees of the County based upon time in service. The rights to such benefits are vested. Employees, based on time in service, also accumulate sick leave. Accumulated sick leave benefits do not vest and are not paid unless sickness causes absence or upon retirement. At retirement, up to one-half of an employee's sick leave may be paid and the remaining balance is credited to their retirement. Vested sick leave is calculated at year-end using the terminated payments method. In the government-wide financial statements, proprietary fund and fiduciary funds financial statements, all vacation, personal, and vested sick pay are accrued when incurred. A liability for these amounts is only reported in governmental funds for the portion estimated to be due and payable at year-end.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

g. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund financial statements, non-current obligations are reported as liabilities in either governmental activities, or business-type activities, in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

h. NET ASSETS/FUND BALANCES

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets, net of related debt, restricted net assets and unrestricted net assets. Invested in capital assets, net of related debt, represents all capital assets, including infrastructure reduced by accumulated depreciation and the outstanding debt directly attributable to the acquisition, construction or improvement of these assets. Restricted net assets represent external restrictions by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Unrestricted net assets represent the net assets of the County, not restricted for any project or purpose.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation because they are legally restricted by outside parties for use for a specific purpose. Designations of fund balance are not legally required segregations, but rather represent the intent of the County's administration to use fund balances for specific purposes in the future.

i. ESTIMATED LIABILITY FOR CLAIMS IN PROCESS

The liability for claims in process in the Internal Service Fund includes estimates for personal injury, worker's compensation, property damage and medical claims as of June 30, 2009. The liability is based on estimates made on an individual claim basis plus an actuarial estimate of the liability for claims incurred but not reported.

j. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, compensated absences, bond premium, and accrued bond interest are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Accrued Bond Interest	\$ 4,182,035
Agricultural Preservation Installments	58,177,012
Bonds Payable	301,480,584
Capital Lease Obligations	20,325,901
Notes Payable	10,181,999
Landfill Closure Liability	37,771,898
Compensated Absences	23,994,872
Premium on Bonds, Less Amortization	16,651,281
Less: Debt of the Internal Service Fund	(7,000,000)
	<u>\$ 465,765,582</u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Purchase of Capital Assets	\$ 63,496,219
Less: Purchase of Capital Assets by the Internal Service Fund	(5,039,858)
Depreciation	(24,201,066)
Less: Depreciation of Capital Assets of the Internal Service Fund	<u>451,971</u>
	<u>\$ 34,707,266</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - CONTINUED

Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this difference are as follows:

Contributed Assets	\$ 5,741,628
Loss on Disposal of Assets	(249,560)
Increase in Property Tax Deferred Revenue	3,270
Decrease in Income Tax Deferred Revenue	(25,205,411)
Increase in Deferred Loans Receivable	217,503
Increase in Deferred Special Assessments	101,577
Decrease in Deferred Steam Revenue	(1,433,464)
Decrease in Restitution Deferred Revenue	(45,958)
	<u>\$ (20,870,415)</u>

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases, installment purchase agreements) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities.” The details of this difference are as follows:

Accrued Interest Expense	\$ (1,213,954)
Amortization of Bond Premium	664,458
Net Increase and Amortization of Costs of Issuance	409,398
Amortization of Deferred Loss	(46,692)
Issuance of Bond Premium	(8,106,323)
Issuance of Bonds Payable	(117,838, 036)
Issuance of Notes Payable	(1,316,999)
Issuances of Installment Purchase Debt	(7,065,889)
Payment to Escrow Agent for Refunding	22,812,194
Principal Payments on General Obligation Debt	22,135,758
	<u>\$ (89,566,085)</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated Absences Liability	\$ (1,861,269)
Consumption Method of Inventory Used in Entitywide Statements vs. the Purchase Method used in the Fund Statements	115,593
Decrease in Deferred Health Care Consortium Receivable	(653,474)
Net Increase in Landfill Closure Expenses	(8,687,601)
	<u>\$ (11,086,751)</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY DATA

Pursuant to the County Charter, the capital and operating budgets are presented by the County Executive to the County Council during April. The County Council holds public hearings regarding the budget and prior to June 1 passes an annual appropriation ordinance. The legislation becomes effective July 1 and provides the spending authority at the department level for the operations of the County Government with unexpended or unencumbered appropriation authority expiring the following June 30, except in the case of Capital Projects Funds, where appropriations lapse after three years if no expenditures occur. Under Maryland State Law, Board of Education capital projects are exempt from this provision. The appropriated budgets are prepared by fund, function, and department. Expenditures and encumbrances of the funds may not legally exceed appropriations at the department level. During the fiscal year, the County Council may adopt supplemental appropriations. For the year-ended June 30, 2009, supplemental appropriations adopted in the general fund were \$22,812,194 and \$11,000,000 in the agricultural preservation fund. Throughout the year, the County Executive has the authority to approve various intradepartmental transfers. Transfers between departments require the County Council's approval and are only completed after April 1.

Annual budgets are adopted for the General Fund, Highways Fund, Agricultural Land Preservation Fund, Parks & Recreation Fund, Enterprise Fund, Internal Service Funds, Firemen's Pension Trust Fund and Sheriff's Office Pension Trust Fund. Budgets are not adopted for the remaining private purpose trust funds due to their nature. Enterprise Fund, Internal Service Funds and Pension Trust Funds budgets are for management control only. Budgets are adopted using the same basis of accounting as that used for reporting purposes, except for the following:

- Encumbrances are treated as expenditures for budgetary accounting purposes.
- Payroll is accrued for financial statement purposes only.
- Interfund reimbursements are eliminated for financial statement purposes.

The capital budget reflects appropriations for the Capital Projects Fund at the individual project level. Expenditures and encumbrances may not legally exceed appropriations at that level and unencumbered appropriations lapse at the completion or abandonment of individual projects. The County Council and the County Executive must approve all transfers of appropriations between projects.

A Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances; Budgetary Basis (Non-GAAP) vs. Actual is prepared for each major governmental fund with an annual budget. These are the General, Highways and Agricultural Land Preservation funds.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY-CONTINUED

B. RECONCILIATION OF GAAP TO BASIS OF BUDGETING

The Governmental Funds, except for Grants and Capital Project Funds, have legally adopted annual budgets. The “Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances; Budgetary Basis (Non-GAAP) vs. Actual” are prepared on a basis consistent with those budgets. The budgets are prepared using encumbrance accounting where encumbrances are treated as expenditures of the current period. The “Statement of Revenues, Expenditures and Changes in Fund Balances” for all major governmental funds is prepared on a basis consistent with GAAP where encumbrances are treated as a reservation of fund balance. The other fund statements are reconciled below.

As of June 30, 2009, the changes in fund balances are reconciled as follows:

	General Fund	Highway Fund	Agricultural Land Preservation	Parks & Recreation
Basis of Budgeting - Net Change in Fund Balances	\$ -	\$ 6,231,839	\$ -	\$ 14,908
Basis Adjustments:				
Revenue for Budgetary, not GAAP Purposes	(9,902,892)	(8,281,838)	-	-
Encumbrances Adjustment	(933,493)	(419,112)	-	(31,869)
Expenditures for Budgetary, not GAAP Purposes	9,902,892	8,281,838	-	-
Expenditures for GAAP, not for Budgetary Purposes	(426,133)	(88,391)	(189)	(4,013)
Fund Balance Appropriated for Budget not GAAP	<u>(7,606,429)</u>	<u>-</u>	<u>(5,102,481)</u>	<u>-</u>
GAAP Basis - Net Changes in Fund Balances	<u>\$ (8,966,055)</u>	<u>\$ 5,724,336</u>	<u>\$ (5,102,670)</u>	<u>\$ (20,974)</u>

As of June 30, 2009, the ending fund balances are reconciled as follows:

	General Fund	Highway Fund	Agricultural Land Preservation	Parks & Recreation
Basis of Budgeting - Fund Balances	\$ 73,310,751	\$ 22,062,267	\$ 40,741,523	\$ 95,380
Basis Adjustments:				
Encumbrances	1,326,225	994,451	-	11,955
Expenditures for GAAP, not for Budgetary Purposes	<u>(4,694,247)</u>	<u>(695,616)</u>	<u>(2,534)</u>	<u>(18,956)</u>
GAAP Basis - Fund Balances	<u>\$ 69,942,729</u>	<u>\$ 22,361,102</u>	<u>\$ 40,738,989</u>	<u>\$ 88,379</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. EQUITY IN POOLED CASH AND INVESTMENTS, CASH AND INVESTMENTS

a. DEPOSITS

PRIMARY GOVERNMENT

Custodial Credit Risk: In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. At year-end, the carrying amount of combined deposits was (\$714,528) and the collected bank balance was \$3,000. The Federal Depository Insurance Corporation (FDIC) insured the entire collected bank balance deposit of \$3,000. The negative carrying amount reflects the fact that idle collected funds in excess of \$3,000 are automatically invested overnight in repurchase agreements, in accordance with the County's banking contract. Overnight investments are liquidated the next day so that funds are always available to cover the County liabilities. At June 30, 2009, the County's deposits were not exposed to custodial credit risk.

The following table reconciles the County's deposits and investments to the government-wide statement of net assets and the statement of fiduciary net assets.

Reconciliation:

Total Primary Government - Exhibit 1		
Equity in Pooled Cash and Investments	\$	256,061,587
Cash and Investments		34,175
Restricted Assets - Investments		101,398,532
Pension Trust Funds - Exhibit 10		
Equity in Pooled Cash and Investments		588,405
Total Investments		37,511,609
Other Post Employment Benefit Trust Fund - Exhibit 10		
Equity in Pooled Cash and Investments		21,453,828
Private Purpose Trust Funds - Exhibit 10		
Equity in Pooled Cash and Investments		1,674,341
Total Investments		1,156,387
Agency Funds - Exhibit 10		
Equity in Pooled Cash and Investments		(12,373)
Total Investments		10,158,643
Total All Equity in Pooled Cash		<u>430,025,134</u>
Less: Investments - Primary Government, p. 49		<u>(430,739,662)</u>
The Carrying Amount of Combined Deposits	\$	<u><u>(714,528)</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

COMPONENT UNITS

At year-end, the carrying amount of combined deposits was \$3,995,130 net of bank overdrafts of (\$748,552). All of the collected bank balance was insured by the FDIC and/or by securities held by the component unit or its' agent, in the component unit's name.

The following table reconciles the Component Unit's deposits and investments to the government-wide statement of net assets.

Reconciliation:

Cash & Investments for Component Units--Exhibit 1:

Board of Education	\$ 15,577,011
Harford Center, Inc.	1,006,730
Harford Community College	32,288,628
Harford County Library	2,519,347

Less: Cash Overdraft for Component Units--Exhibit 1:

Board of Education	(722,533)
Harford County Library	(26,019)

Total Component Unit Cash & Investments	<u>50,643,164</u>
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Less: Investments--Component Units; page 51	<u>(46,648,034)</u>
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Cash in the Bank	<u><u>\$ 3,995,130</u></u>
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HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS - CONTINUED

b. INVESTMENTS

PRIMARY GOVERNMENT

As of June 30, 2009, the County had the following investments and maturities.

Investment Type	Investment Maturities (Years)			
Pooled Investments	Fair Value	Less than 1	1 - 5	5+
Repurchase Agreements	\$ 2,260,692	\$ 2,260,692	\$ -	\$ -
¹ Federal Agencies	95,454,146	75,331,723	20,122,423	-
MLGIP	173,312,921	173,312,921	-	-
Mutual Funds	9,486,732	9,486,732	-	-
Subtotal	280,514,491	260,392,068	20,122,423	-
Non-Pooled Investments				
MLGIP	63,415,102	63,415,102	-	-
² U.S. Stripped Treasuries	37,983,430	320,466	3,852,833	33,810,131
³ Trust Fund Annuity Contract	1,156,387	26,743	163,028	966,616
MLGIP - Fiduciary Funds	10,158,643	10,158,643	-	-
Pension Funds:				
³ Short-Term Investments	541,398	541,398	-	-
³ Equities	22,681,960	22,681,960	-	-
³ MTB Intermediate Term Bond	55,762	55,762	-	-
US Government Agencies	3,888,665	-	3,684,641	204,024
Corporate Bonds	6,601,376	2,193,351	3,520,942	887,083
² US Treasury Obligations	3,742,448	-	1,956,649	1,785,799
Subtotal	150,225,171	99,393,425	13,178,093	37,653,653
Total	\$ 430,739,662	\$ 359,785,493	\$ 33,300,516	\$ 37,653,653

¹ These Agencies mature in Fiscal Years 2010 and 2011, but are callable monthly, quarterly, and semi-annually until maturity; it is not anticipated that these Agencies will be called.

² These investments are backed by the full faith and credit of the US Government.

³ These investments are unrated.

Investments Other than Pensions:

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy prohibits investment of operating funds in securities maturing more than one year from the date of purchase, unless matched to a specific cash flow. Non-operating funds may be invested in securities exceeding two years but less than five years, except for Trust Funds. Only Agricultural Land Preserva-

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS - CONTINUED

tion Funds will be invested in U.S. Stripped Treasuries to coincide with the maturity dates on installment purchase agreements; up to thirty years in length. Because the mutual bond funds and the MLGIP funds as of June 30, 2009, have a weighted average maturity of less than 2 months, they are presented as investments maturing in less than one year.

Credit Risk: In order to control credit risk, State statutes, which have been incorporated into the County's investment policy, authorize the County to invest only in obligations of the United States Government, Federal government agency obligations, secured time deposits in Maryland banks, bankers' acceptances, the MLGIP, money market mutual funds, commercial paper and repurchase agreements secured by direct government or agency obligations. As of June 30, 2009, the County's investments in Federal agency obligations, including repurchase agreements, backed by Federal agency obligations, were rated Aaa by Moody's Investor Service; the MLGIP and the money market mutual funds were rated AAAM by Standard and Poor's.

Concentration of Credit Risk: In accordance with its investment policy, with the exception of US Treasury securities, repurchase agreements, US government agencies and MLGIP, no more than 50 percent of the County's total investment portfolio is to be invested in a single security type. With the exception of overnight repurchase agreements with the County's lead bank, and the MLGIP, no more than 50 percent of the County's portfolio may be invested with a single institution.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, or not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent, but not in the government's name. County and State statutes require that securities underlying all certificates of deposit, repurchase agreements and reverse repurchase agreements have a market value of at least 102 percent of the cost plus accrued interest of the investment. County policies require that a third party custodian hold investment securities and the collateral underlying all investments, in the government's name. At June 30, 2009, the County's investments were not exposed to custodial credit risk.

Pension Investments:

Interest Rate Risk: The investment policies of the pension plans do not limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. Fluctuating rates of return are characteristic of the securities markets; the Fund's greatest concern is long-term appreciation of assets and consistency of portfolio returns. However cash and cash equivalent investments, such as commercial paper, repurchase agreements, etc. are limited to maturities of one year or less.

Credit Risk: The investment manager is allowed substantial discretion within a broad framework of approved investment choices. Equity holdings may be selected from those listed on the major securities markets. The Manager may purchase commercial paper, medium term notes, and public debt securities, with short-term ratings of A-2 or P-2 or better or long-term ratings of A/A or better by either Moody's or Standard and Poor's. Fixed income securities, such as obligations of the U.S. Government and its agencies, corporate debt securities, exchange traded fixed income funds, etc. shall be *investment grade* as defined by Moody's or Standard and Poor's.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS - CONTINUED

The maximum ratings allocations and the actual allocations of US Government Agencies and corporate bond investments at June 30, 2009, are as follows:

<u>Rating</u>	<u>Maximum Allocation</u>	<u>Allocation at June 30, 2009</u>
Investment Grade	100%	28%
AAA/Aaa	100%	27%
AA/Aa	50%	5%
A/A	50%	23%
BAA/Baa	20%	17%

Concentration of Credit Risk: As a means of minimizing risk and providing a consistent return, the investment policies require diversification. U.S. corporate bonds shall be diversified by issuer type with no more than 5 percent of the portfolio invested in obligations of any one issuer and no more than 10 percent in any one outstanding debt issue. Investments by security type are to be diversified as follows:

	<u>Firemen's Pension</u>		<u>Sheriff's Pension</u>	
	<u>Minimum</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Maximum</u>
Large Cap Equities	20%	50%	25%	47%
Mid Cap Equities	0%	0%	3%	13%
Small Cap Equities	0%	10%	3%	10%
International Equities	0%	10%	14%	27%
Fixed Income	40%	60%	21%	39%
Cash & Equivalents	0%	5%	0%	0%

COMPONENT UNITS

As of June 30, 2009, total investments of the component units, in the amount of \$46,648,034, was distributed by type as follows:

	<u>MLGIP</u>	<u>Repurchase Agreements</u>	<u>Other Investments</u>	<u>Total</u>
Board of Education	\$ 12,739,121	\$ 2,834,355	\$ -	\$ 15,573,476
Harford Center, Inc.	-	-	345,638	345,638
Harford Community College	19,259,672	5,000,000	4,151,050	28,410,722
Harford County Library	1,920,641	397,557	-	2,318,198
	<u>\$ 33,919,434</u>	<u>\$ 8,231,912</u>	<u>\$ 4,496,688</u>	<u>\$ 46,648,034</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS - CONTINUED

Interest Rate Risk: The component units of the County generally limit the term of investment maturities, except for the fiduciary funds of the Board of Education, which are allowed longer term maturities to match the cash flow of liabilities.

Credit Risk: The investment policies of the component units require that all investments be insured, or registered, or have underlying securities held by a custodian in the name of the component unit to protect against credit risk. The credit ratings related to the repurchase agreements are unknown but the MLGIP, a State sponsored investment pool, is rated AAAM by Standard and Poor's.

B. RECEIVABLES

a. TAXES AND OTHERS

Receivables as of year-end for the government's individual major and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Highway	Grant	Capital Project Fund
Property Taxes	\$ 2,268,369	\$ 318,448	\$ -	\$ -
Interest Accrual	10,654	-	-	-
Service Billings	867,915	66,530	-	-
Restitution Receivable	-	-	2,672,483	-
Capital Contribution Receivable	-	-	-	-
Miscellaneous	722,923	-	53,002	2,406
Gross Receivables	3,869,861	384,978	2,725,485	2,406
Less: Allowance for Uncollectible	(1,314,735)	(184,038)	-	-
	<u>\$ 2,555,126</u>	<u>\$ 200,940</u>	<u>\$ 2,725,485</u>	<u>\$ 2,406</u>

	Non-Major Parks & Rec	Water & Sewer	Internal Service Funds	Total
Property Taxes	\$ -	\$ -	\$ -	\$ 2,586,817
Interest Accrual	-	2,418,211	-	2,428,865
Service Billings	1,709	5,379,545	-	6,315,699
Restitution Receivable	-	-	-	2,672,483
Capital Contribution Receivable	-	1,427,521	-	1,427,521
Miscellaneous	-	13,402	3,608	795,341
Gross Receivables	1,709	9,238,679	3,608	16,226,726
Less: Allowance for Uncollectible	-	(19,305)	-	(1,518,078)
	<u>\$ 1,709</u>	<u>\$ 9,219,374</u>	<u>\$ 3,608</u>	<u>\$ 14,708,648</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS –CONTINUED

b. DEFERRED REVENUES

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* reported in the governmental funds were as follows:

Deferred Revenues:	Unavailable	Unearned	Total
Income Taxes	\$ 22,982,356	\$ -	\$ 22,982,356
Prepaid Property Taxes	-	136,815	136,815
Walk-in Assessment Escrow	-	25,377	25,377
Property Taxes Receivable	651,245	-	651,245
Solid Waste Developer Fees	751	-	751
Solid Waste Prepaid Fees	-	867,065	867,065
Sub-total: General Fund	<u>23,634,352</u>	<u>1,029,257</u>	<u>24,663,609</u>
Property Taxes Receivable	<u>101,976</u>	<u>-</u>	<u>101,976</u>
Sub-total: Highways Fund	<u>101,976</u>	<u>-</u>	<u>101,976</u>
Grant Drawdown in Excess of Expenditures	-	5,444,814	5,444,814
Grant Loans Receivable	2,177,860	-	2,177,860
Grant Restitution Receivable	83,371	-	83,371
Special Assessments Receivable	<u>413,374</u>	<u>-</u>	<u>413,374</u>
Sub-total: Grant Fund	<u>2,674,605</u>	<u>5,444,814</u>	<u>8,119,419</u>
Special Assessments Escrowed	-	596,677	596,677
Special Assessments Receivable	<u>268,800</u>	<u>-</u>	<u>268,800</u>
Sub-total: Capital Project Fund	<u>268,800</u>	<u>596,677</u>	<u>865,477</u>
Total Deferred Revenue for Governmental Funds	<u>\$ 26,679,733</u>	<u>\$ 7,070,748</u>	<u>\$ 33,750,481</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS –CONTINUED

c. LEASE RECEIVABLES

PRIMARY GOVERNMENT

Governmental activities: The County is obligated as the lessor under a number of lease agreements. Many of the leases are for \$1 per year to various government and nonprofit organizations. There are a few leases with end dates but most of the leases are for one year, with automatic renewals, indefinitely. In fiscal year 2009 rental income from all leases was \$512,645. The following is a five year schedule, by year, of future rental payments, assuming all leases with automatic renewal clauses continue at their current lease amount.

<u>Year ending June 30</u>		<u>Amount</u>
2010	\$	481,936
2011		455,848
2012		420,011
2013		360,826
2014		<u>360,826</u>
Rental Income	\$	<u><u>2,079,447</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS –CONTINUED

C. CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital Asset Activity for the year ended June 30, 2009, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 222,975,372	\$ 7,275,943	\$ (111,816)	\$ 230,139,499
Development Rights	92,451,283	14,506,344	-	106,957,627
Construction in Process	131,757,465	41,101,092	(56,311,476)	116,547,081
Total Capital Assets, not being depreciated	<u>447,184,120</u>	<u>62,883,379</u>	<u>(56,423,292)</u>	<u>453,644,207</u>
Capital Assets, being depreciated:				
Buildings	79,695,223	7,344,979	-	87,040,202
Improvements other than buildings	47,688,644	14,309,290	-	61,997,934
Machinery and Equipment	44,250,145	2,741,964	(995,846)	45,996,263
Vehicles	39,159,251	6,249,199	(6,393,501)	39,014,949
Infrastructure	117,028,008	32,020,512	-	149,048,520
Total Capital Assets, being depreciated	<u>327,821,271</u>	<u>62,665,944</u>	<u>(7,389,347)</u>	<u>383,097,868</u>
Less Accumulated Depreciation for:				
Buildings	(32,730,831)	(2,425,396)	-	(35,156,227)
Improvements other than buildings	(40,117,943)	(5,559,854)	-	(45,677,797)
Machinery and Equipment	(31,851,240)	(4,876,846)	934,211	(35,793,875)
Vehicles	(21,666,698)	(5,243,976)	6,317,392	(20,593,282)
Infrastructure	(54,763,507)	(6,094,994)	-	(60,858,501)
Total Accumulated Depreciation	<u>(181,130,219)</u>	<u>(24,201,066)</u>	<u>7,251,603</u>	<u>(198,079,682)</u>
Total Capital Assets, being depreciated, net	<u>146,691,052</u>	<u>38,464,878</u>	<u>(137,744)</u>	<u>185,018,186</u>
Governmental Activities Capital Assets, net	<u>\$ 593,875,172</u>	<u>\$ 101,348,257</u>	<u>\$ (56,561,036)</u>	<u>\$ 638,662,393</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS –CONTINUED

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 1,892,812	\$ 75,716	\$ -	\$ 1,968,528
Construction in Process	29,489,834	22,028,366	(15,043,555)	36,474,645
Total Capital Assets, not being depreciated	<u>31,382,646</u>	<u>22,104,082</u>	<u>(15,043,555)</u>	<u>38,443,173</u>
Capital Assets, being depreciated:				
Buildings	149,220,365	-	-	149,220,365
Improvements other than buildings	257,750,491	15,343,166	-	273,093,657
Machinery and Equipment	6,989,971	562,034	(32,850)	7,519,155
Vehicles	4,361,971	85,058	(565,570)	3,881,459
Total Capital Assets, being depreciated	<u>418,322,798</u>	<u>15,990,258</u>	<u>(598,420)</u>	<u>433,714,636</u>
Less Accumulated Depreciation for:				
Buildings	(65,439,896)	(3,704,345)	-	(69,144,241)
Improvements other than buildings	(57,467,413)	(4,645,768)	-	(62,113,181)
Machinery and Equipment	(4,358,374)	(235,915)	31,288	(4,563,001)
Vehicles	(3,062,157)	(323,313)	552,192	(2,833,278)
Total Accumulated Depreciation	<u>(130,327,840)</u>	<u>(8,909,341)</u>	<u>583,480</u>	<u>(138,653,701)</u>
Total Capital Assets, being depreciated, net	<u>287,994,958</u>	<u>7,080,917</u>	<u>(14,940)</u>	<u>295,060,935</u>
Business-type Activities Capital Assets, net	<u>\$ 319,377,604</u>	<u>\$ 29,184,999</u>	<u>\$ (15,058,495)</u>	<u>\$ 333,504,108</u>

Depreciation Expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

County Council	\$ 40,849
General Government	1,396,693
Fleet Management	451,971
Judicial	623,282
Libraries	193,285
Parks & Recreation	1,942,963
Public Safety	5,173,444
Public Works	13,716,003
Social Services & Health	662,576
Total Depreciation Expense - Governmental activities	<u>\$ 24,201,066</u>

Business-type Activities

Water & Sewer	<u>\$ 8,909,341</u>
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HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS –CONTINUED

COMPONENT UNITS

Board of Education: Capital Asset Activity for the year ended June 30, 2009, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 9,672,942	\$ -	\$ -	\$ 9,672,942
Construction in Process	179,170,272	98,471,730	(71,587,473)	206,054,529
Total Capital Assets, not being depreciated	188,843,214	98,471,730	(71,587,473)	215,727,471
Capital Assets, being depreciated				
Land Improvements	7,587,655	696,800	-	8,284,455
Buildings and Improvements	279,415,515	72,280,165	-	351,695,680
Furniture and Equipment	24,524,266	2,405,954	(346,154)	26,584,066
Total Capital Assets, being depreciated	311,527,436	75,382,919	(346,154)	386,564,201
Accumulated Depreciation				
Land Improvements				
Buildings and Improvements	(2,279,056)	(368,930)	-	(2,647,986)
Furniture and Equipment	(96,756,610)	(6,033,351)	-	(102,789,961)
Total Accumulated Depreciation	(11,221,821)	(2,736,330)	314,209	(13,643,942)
Total Capital Assets, being depreciated, net	(110,257,487)	(9,138,611)	314,209	(119,081,889)
	201,269,949	66,244,308	(31,945)	267,482,312
Total Capital Assets, net	\$ 390,113,163	\$ 164,716,038	\$ (71,619,418)	\$ 483,209,783

The Harford Center, Inc.: Capital Asset Activity for the year ended June 30, 2009, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated				
Equipment - Other	\$ 154,086	\$ 76,686	\$ -	\$ 230,772
Equipment - Transportation	584,658	114,525	-	699,183
Leasehold Improvements	376,129	792	-	376,921
Total Capital Assets, being depreciated	1,114,873	192,003	-	1,306,876
Accumulated Depreciation:				
Capital Assets	(654,247)	(98,339)	-	(752,586)
Total Accumulated Depreciation	(654,247)	(98,339)	-	(752,586)
Total Capital Assets, net	\$ 460,626	\$ 93,664	\$ -	\$ 554,290

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS –CONTINUED

Harford Community College: Capital asset activity for the year ended June 30, 2009, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 1,916,499	\$ 1,647,663	\$ -	\$ 3,564,162
Construction in Process	6,143,977	8,340,510	(1,032,094)	13,452,393
Total Capital Assets, not being depreciated	<u>8,060,476</u>	<u>9,988,173</u>	<u>(1,032,094)</u>	<u>17,016,555</u>
Capital Assets, being depreciated				
Buildings and Improvements	59,576,495	1,559,431	-	61,135,926
Furniture and Equipment	8,841,889	860,938	(360,570)	9,342,257
Vehicles	431,482	40,779	-	472,261
Library Books	251,046	108,637	(226,352)	133,331
Total Capital Assets, being depreciated	<u>69,100,912</u>	<u>2,569,785</u>	<u>(586,922)</u>	<u>71,083,775</u>
Accumulated Depreciation:				
Buildings and Improvements	(15,045,201)	(2,036,996)	-	(17,082,197)
Furniture and Equipment	(6,137,008)	(625,290)	313,316	(6,448,982)
Vehicles	(235,453)	(40,435)	-	(275,888)
Library Books	(56,209)	(44,444)	56,209	(44,444)
Total Accumulated Depreciation	<u>(21,473,871)</u>	<u>(2,747,165)</u>	<u>369,525</u>	<u>(23,851,511)</u>
Total Capital Assets, being depreciated, net	<u>47,627,041</u>	<u>(177,380)</u>	<u>(217,397)</u>	<u>47,232,264</u>
Total Capital Assets, net	<u>\$ 55,687,517</u>	<u>\$ 9,810,793</u>	<u>\$ (1,249,491)</u>	<u>\$ 64,248,819</u>

Harford County Library: Capital asset activity for the year ended June 30, 2009, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated				
Buildings and Improvements	\$ 800,956	\$ 3,764	\$ (1,425)	\$ 803,295
Circulating Materials	7,444,756	2,329,187	(2,563,899)	7,210,044
Furniture and Equipment	1,749,245	90,728	(122,703)	1,717,270
Computer Equipment	817,334	41,467	(50,091)	808,710
Vehicles	290,318	45,358	(30,186)	305,490
Copier Equipment	34,231	-	-	34,231
Total Capital Assets, being depreciated	<u>11,136,840</u>	<u>2,510,504</u>	<u>(2,768,304)</u>	<u>10,879,040</u>
Accumulated Depreciation:				
Buildings and Improvements	(267,340)	(55,103)	1,342	(321,101)
Circulating Materials	(3,737,246)	(2,442,467)	2,563,899	(3,615,814)
Furniture and Equipment	(1,373,586)	(117,027)	120,850	(1,369,763)
Computer Equipment	(641,764)	(113,344)	50,091	(705,017)
Vehicles	(242,760)	(15,637)	30,186	(228,211)
Copier Equipment	(28,526)	(5,705)	-	(34,231)
Total Accumulated Depreciation	<u>(6,291,222)</u>	<u>(2,749,283)</u>	<u>2,766,368</u>	<u>(6,274,137)</u>
Total Capital Assets, net	<u>\$ 4,845,618</u>	<u>\$ (238,779)</u>	<u>\$ (1,936)</u>	<u>\$ 4,604,903</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS –CONTINUED

D. OPERATING LEASES

The County is obligated under certain leases accounted for as operating leases. All leases are subject to annual appropriations. During fiscal year 2009, rental expenditures approximated \$2,698,461. These expenditures were primarily from the General Fund. The following is a schedule, by years, of the future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2009:

Year ending June 30	Amount
2010	\$ 2,610,581
2011	1,896,710
2012	1,308,757
2013	661,416
2014	459,379
2015-2019	549,747
Total Minimum Payments Required	\$ 7,486,590

E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

a. DUE FROM PRIMARY GOVERNMENT AND DUE TO COMPONENT UNITS

Interfund receivables and payables result from the time lag between the time reimbursable expenditures occur in the component units and when the payments are made. At June 30, these interfund balances are:

	Due From	Due To
Primary Government:		
Capital Projects Fund	\$ -	\$ 26,970,164
Component Units:		
Board of Education	26,507,774	-
Harford Community College	340,130	-
Harford County Library	122,260	-
	\$ 26,970,164	\$ 26,970,164

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

b. INTERFUND TRANSFERS

Transfers are used to, (1) move general fund revenues to provide matching funds for various grant programs, (2) move operating fund revenues into the capital project fund as paygo monies, (3) move revenues from capital project funds to the general fund to pay debt service, and (4) move interest revenue earned in the capital project fund to the operating funds per management policy. The interfund transfers for the current fiscal year are:

	Transfers In		
	General Fund	Highway Fund	Grant Fund
Transfers Out			
General Fund	\$ -	\$ -	\$ 2,846,513
Highways Fund	-	-	1,631
Capital Projects Fund	14,424,655	636,363	-
Total Transfers In	<u>\$ 14,424,655</u>	<u>\$ 636,363</u>	<u>\$ 2,848,144</u>

	Transfers In	
	Capital Project Fund	Total
Transfers Out		
General Fund	\$ 13,727,343	\$ 16,573,856
Highways Fund	12,237,004	12,238,635
Capital Projects Fund	-	15,061,018
Total Transfers In	<u>\$ 25,964,347</u>	<u>\$ 43,873,509</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

F. NON-CURRENT LIABILITIES

a. CHANGES IN NON-CURRENT LIABILITIES

PRIMARY GOVERNMENT

	Balance July 1, 2008	Additions	Principal Repayments & Reductions	Balance June 30, 2009	Due Within One Year
Governmental activities:					
Agricultural Land Preservation	\$ 52,535,289	\$ 7,065,889	\$ (1,424,166)	\$ 58,177,012	\$ 1,046,889
Bonds Payable	221,313,649	117,838,036	(37,671,101) ¹	301,480,584	16,314,677
Capital Lease Obligations	17,406,894	7,000,000	(4,080,993)	20,325,901	5,524,142
Notes Payable	10,590,000	1,316,999	(1,725,000)	10,181,999	1,785,438
Landfill Closure Liability	29,084,297	8,879,296 ²	(191,695)	37,771,898	191,695
Compensated Absences	22,133,603	2,825,955	(964,686)	23,994,872	8,784,785
Est. Liab. For Claims in Process	4,990,720	1,829,193	(1,456,614)	5,363,299	1,544,034
Governmental activity - Long-term Liabilities	<u>\$ 358,054,452</u>	<u>\$ 146,755,368</u>	<u>\$ (47,514,255)</u>	<u>\$ 457,295,565</u>	<u>\$ 35,191,660</u>
Business-type activities:					
Lease 2007	\$ 258,656	\$ -	\$ (61,092)	\$ 197,564	\$ 63,414
Bonds Payable	74,150,409	28,497,464	(14,537,174) ¹	88,110,699	10,031,325
Notes Payable	105,683	-	(34,277)	71,406	35,283
Compensated Absences	2,484,990	292,271	(121,666)	2,655,595	1,052,391
Business-type activities - Long-term Liabilities	<u>\$ 76,999,738</u>	<u>\$ 28,789,735</u>	<u>\$ (14,754,209)</u>	<u>\$ 91,035,264</u>	<u>\$ 11,182,413</u>

¹ Includes amortization of deferred loss on refunding of \$46,692 for Governmental activities and \$152,183 for Business-type activities, as well as a deferred gain of \$24,207 for Business-type activities.

² See Note 4f. Landfill Closure Liability for more detail.

Agricultural Land Preservation long-term debt has typically been liquidated in the Agricultural Land Preservation special revenue fund. Governmental compensated absences typically have been liquidated in the General and other governmental funds. Claims liabilities typically have been liquidated in the Self Insurance fund.

The debt limit for the primary government at June 30, 2009, was \$1,661,636,386 and the legal debt margin was \$1,329,647,902.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

COMPONENT UNITS

Non-current liabilities in the component units consist of liabilities for compensated absences and two leases. The changes and the portion due within one year are as follows:

	Beginning Balance		Changes		Ending Balance		Due Within One Year
<u>Board of Education</u>							
Capital Leases	\$ 10,864,415	\$	(282,845)	\$	10,581,570	\$	296,928
Compensated Absences	28,922,483		(129,978)		28,792,505		1,390,103
Other Post-employment Benefit Obligation	8,489,815		36,024,000		44,513,815		-
	<u>\$ 48,276,713</u>	<u>\$</u>	<u>35,611,177</u>	<u>\$</u>	<u>83,887,890</u>	<u>\$</u>	<u>1,687,031</u>
<u>Harford Community College</u>							
Compensated Absences	\$ 817,628	\$	283,404	\$	1,101,032	\$	61,573
Other Post-employment Benefit Obligation	23,017		29,204		52,221		40,000
	<u>\$ 840,645</u>	<u>\$</u>	<u>312,608</u>	<u>\$</u>	<u>1,153,253</u>	<u>\$</u>	<u>101,573</u>
<u>Harford County Library</u>							
Compensated Absences	\$ 358,159	\$	23,168	\$	381,327	\$	7,985
Other Post-employment Benefit Obligation	968,751		833,972		1,802,723		-
	<u>\$ 1,326,910</u>	<u>\$</u>	<u>857,140</u>	<u>\$</u>	<u>2,184,050</u>	<u>\$</u>	<u>7,985</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

b. AGRICULTURAL LAND PRESERVATION INSTALLMENTS

PRIMARY GOVERNMENT

The County has entered into installment contracts to purchase easements for agricultural land preservation purposes. The primary source of revenue for repayment of the indebtedness is a transfer tax of one-half of one percent on all transfers of real property in the County. Under the terms of the installment contracts, which range in length from ten to twenty years, the County pays the property owner annual interest and minimal portions of the installment purchase price for the term of the agreement. The final principal payment is made with a stripped-coupon U.S. Treasury obligation purchased at settlement and held to maturity. The interest rate of the stripped-coupon U.S. Treasury obligation is the interest rate used for the installment purchase agreement. Interest rates on securities owned at June 30, 2009, range from 3.74 percent to 8.45 percent. The annual requirements to amortize agricultural preservation installments outstanding as of June 30, 2009, are as follows:

As of June 30, 2009	Principal	Interest	Total Requirement
2010	1,046,889	3,192,317	\$ 4,239,206
2011	920,544	3,131,806	4,052,350
2012	1,116,128	3,082,575	4,198,703
2013	2,895,399	3,020,865	5,916,264
2014	1,983,547	2,889,593	4,873,140
2015	2,675,662	2,779,595	5,455,257
2016	6,952,927	2,597,415	9,550,342
2017	7,377,521	2,150,258	9,527,779
2018	18,158,266	1,679,036	19,837,302
2019	4,617,132	763,273	5,380,405
2020	1,072,375	524,731	1,597,106
2021	568,331	458,668	1,026,999
2022	121,341	426,870	548,211
2023	1,933,994	420,977	2,354,971
2024	1,198,158	324,597	1,522,755
2025	354,137	257,357	611,494
2026	669,630	240,362	909,992
2027	384,422	208,265	592,687
2028	580,803	189,296	770,099
2029	3,549,806	161,275	3,711,081
	\$ 58,177,012	\$ 28,499,131	\$ 86,676,143

For the year ended June 30, 2009, total principal and interest incurred related to agricultural land preservation installments was \$1,424,166 and \$2,953,784.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTE ON ALL FUND TYPES – CONTINUED

c. GENERAL OBLIGATION BONDS

PRIMARY GOVERNMENT

All general obligation bonds are valid and legally binding general obligations of the County, and constitute an irrevocable pledge of its full faith and credit and unlimited taxing power. Governmental bonds are payable from ad valorem taxes, unlimited as to rate or amount on all real tangible, personal, and certain intangible property subject to taxation at full rates for local purposes in the County. Those portions of the Public Improvement Bonds of 1999, 2001, 2002, 2003, 2004, 2005, 2007 and 2009 allocated to school projects are payable in the first instance from recordation and transfer tax revenues. Business-type (Water and Sewer) bonds are payable from investment income of the Water and Sewer Funds, area connection charges, benefit and surcharge assessments, and recordation taxes. As of June 30, 2009, general obligation bonds payable are comprised of the following individual issues:

Governmental activities:	<u>Originally Issued</u>	<u>Outstanding at June 30, 2009</u>
Public Improvement Bond of 1999 - 5.5% - 5.0% - due serially to 2019.....	\$ 15,060,000	\$ 950,000
Water Quality Loan of 1999 - 2.52% - due serially to 2018.....	4,585,000	2,403,084
Public Improvement Bond of 2001 - 4.25% - 4.65% - due serially to 2021.....	31,325,000	18,625,000
Public Improvement Bond of 2002 - 3.5% - 4.875% - due serially to 2022.....	28,350,000	17,010,000
Refunding Bond of 2003 - 3.0% - 5.0% - due serially to 2012.....	12,007,969	5,901,809
Public Improvement Bond of 2004 - 2.0% - 4.375% - due serially to 2024.....	23,870,000	15,535,000
Public Improvement Bond of 2005 - 3.0% - 5.0% - due serially to 2024.....	35,905,000	30,571,946
Public Improvement Bond of 2007- 4.0% - 5% - due serially to 2027.....	95,900,000	93,400,000
Refunding Bond of 2009 - 3.0% - 4.0% - due serially to 2020.....	21,738,036	21,738,036
Public Improvement Bond of 2009- 4.0% - 5% - 2.25% due serially to 2029..	<u>96,100,000</u>	<u>96,100,000</u>
 Total Bonds Outstanding	 364,841,005	 302,234,875
Deferred Loss on Refunding	<u>(1,009,774)</u>	<u>(754,291)</u>
Total	<u>\$ 363,831,231</u>	<u>\$ 301,480,584</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTE ON ALL FUND TYPES – CONTINUED

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2009, are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2010	\$ 16,314,677	\$ 11,568,142	\$ 27,882,819
2011	19,251,552	12,663,148	31,914,700
2012	19,435,909	11,880,907	31,316,816
2013	19,852,302	11,067,962	30,920,264
2014	18,491,576	10,253,851	28,745,427
2015-2019	89,030,499	38,671,775	127,702,274
2020-2024	70,937,294	19,657,134	90,594,428
2025-2029	43,315,233	6,078,878	49,394,111
2030	5,605,833	140,146	5,745,979
Deferred Loss	(754,291)	-	(754,291)
	<u>\$ 301,480,584</u>	<u>\$ 121,981,943</u>	<u>\$ 423,462,527</u>

For the year ended June 30, 2009, total principal and interest incurred related to general obligation bonds was \$14,905,599 and \$9,886,217.

Business-Type Activities:

	Originally Issued	Outstanding at June 30, 2009
State of MD Water Quality Loan dated November 1990, 4.894% - due serially to 2011...	\$ 3,722,000	\$ 551,184
State of MD Water Quality Loan dated November 1991, 4.458% - due serially to 2013...	13,586,473	3,866,709
State of MD Water Quality Loan dated February 1999, 2.39% - due serially to 2019.....	1,200,000	697,582
State of MD Water Quality Loan dated September 1999, 2.52% - due serially to 2018....	11,585,000	6,071,915
USDA Rural Development Bond of 2001, 4.5% - due serially to 2031.....	1,080,000	915,877
Consolidated Public Improvement Bond of 2002, 3.5% - 5.0% - due serially to 2022.....	28,940,000	7,915,000
Refunding Bond of 2003, 3.0% - 4.0% - 5.0% - due serially to 2012.....	17,472,031	7,253,191
Public Improvement Bond of 2004, 2.0% - 4.375% - due serially to 2024.....	4,060,000	3,000,000
USDA Rural Development Bond of 2004, 4.375% - due serially to 2034.....	210,000	191,010
Public Improvement Bond of 2005, 3.0% - 5.0% - due serially to 2024.....	6,510,000	5,543,054
Public Improvement Bond of 2007, 4.0% - 5.0% - due serially to 2027.....	24,695,000	24,195,000
USDA Rural Development Bond of 2008, 4.5% - due serially to 2038.....	345,500	342,738
Refunding Bond of 2009, 3.0% - 4.0% - due serially to 2020.....	4,251,964	4,251,964
Public Improvement Bond of 2009, 4.0% - 5.0% - 2.25% - due serially to 2029.....	23,900,000	23,900,000
Total Bonds Outstanding.....	141,557,968	88,695,224
Deferred Gain on Refunding.....	24,410	24,207
Deferred Loss on Refunding.....	(1,982,955)	(608,732)
Total.....	<u>\$ 139,599,423</u>	<u>\$ 88,110,699</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTE ON ALL FUND TYPES – CONTINUED

The annual requirements to amortize business-type activities bonded debt outstanding as of June 30, 2009, are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2010	\$ 10,031,325	\$ 3,348,948	\$ 13,380,273
2011	10,346,027	3,365,909	13,711,936
2012	6,929,686	2,936,404	9,866,090
2013	6,625,721	2,660,390	9,286,111
2014	3,794,069	2,422,706	6,216,775
2015-2019	21,323,507	9,333,381	30,656,888
2020-2024	17,902,176	4,811,367	22,713,543
2025-2029	10,004,184	1,536,860	11,541,044
2030-2034	1,653,222	76,642	1,729,864
2035-2039	85,307	9,409	94,716
Deferred Loss on Refunding	(584,525)	-	(584,525)
	\$ <u>88,110,699</u>	\$ <u>30,502,016</u>	\$ <u>118,612,715</u>

For the year ended June 30, 2009, total principal and interest incurred related to business-type activities was \$ 10,368,564 and \$ 2,797,801.

d. CAPITAL LEASE OBLIGATIONS

PRIMARY GOVERNMENT

Governmental activities: The balance at June 30, 2009 consists of three capital leases:

Waste to Energy Lease	\$ 2,392,250
2007 Capital Lease Purchase	10,933,651
2009 Capital Lease Purchase	7,000,000
	\$ <u>20,325,901</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTE ON ALL FUND TYPES– CONTINUED

The annual debt service requirements to maturity for the capital lease obligations are as follows:

<u>Fiscal Year Ending June 30,</u>	
2010	\$ 6,276,280
2011	6,187,081
2012	6,150,680
2013	1,968,118
2014	1,545,068
Total minimum lease payments	<u>22,127,227</u>
Less: deferred interest	<u>(1,801,326)</u>
Present value minimum lease payments	<u><u>\$ 20,325,901</u></u>

For the year ended June 30, 2009, total principal and interest incurred related to capital leases was \$4,080,993 and \$711,539.

The assets acquired through capital leases, by major classes, are as follows:

<u>Capital Lease Assets</u>	
Vehicles	\$ 11,824,355
Equipment	10,705,860
Harford Waste-to-Energy Facility	
Land	\$ 288,793
Buildings	3,594,428
Equipment	18,093,619
Vehicles	<u>593,910</u>
Total Waste-to-Energy Assets	<u>22,570,750</u>
Total Capital Lease Assets	<u><u>\$ 45,100,965</u></u>

Business-Type Activities: The balance at June 30, 2009, of \$197,563 consists of a lease purchase agreement entered into with M&T bank in April 2007.

<u>Fiscal Year Ending June 30,</u>	
2010	\$ 70,261
2011	70,261
2012	<u>70,261</u>
Total minimum lease payments	210,783
Less: deferred interest	<u>(13,220)</u>
Present value minimum lease payments	<u><u>\$ 197,563</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

For the year ended June 30, 2009, total principle and interest incurred related to capital leases was \$61,092 and \$9,169.

The assets acquired through capital lease, by major classes, are as follows:

<u>Capital Lease Assets</u>	
Vehicles	\$ 135,500
Equipment	<u>182,013</u>
Total Capital Lease Assets	\$ <u><u>317,513</u></u>

COMPONENT UNITS

Board of Education: The Board has entered into lease agreements as lessee to construct the administration building in the amount of \$11,400,223, which was completed in January 2007. The lease agreement is for a period of twenty-five years. The asset acquired and capitalized under the capital lease is a building, valued at \$10,852,395. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

Fiscal Year Ending June 30,		
2010	\$	823,822
2011		823,822
2012		823,822
2013		823,822
2014		823,822
2015-2019		4,119,110
2020-2024		4,119,110
2025-2029		4,119,110
2030		<u>823,822</u>
Total minimum lease payments		17,300,262
Less: Amount representing interest		<u>(6,718,692)</u>
Present Value of Minimum Lease Payments	\$	<u><u>10,581,570</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

e. NOTES PAYABLE

PRIMARY GOVERNMENT

Government activities:

	Principal Balance June 30, 2009	Interest Paid In Fiscal Year 2009	Annual Rate/ Payment Frequency	Payment Began	Date Matures
Paca Ltd., Inc.	\$ 1,300,000	\$ -	5.75%/Annually	09/2008	09/2018
Stuart Terrace	16,999	-	0%/Annually	07/2009	07/2033
Vest	350,000	35,000	5.00%/Annually	05/2008	05/2010
Washington Court	1,855,000	117,665	5.78%/Semi	02/2002	08/2015
WTE Retrofit	6,660,000	406,650	4.79%/Semi	03/2005	03/2014
	<u>\$ 10,181,999</u>	<u>\$ 559,315</u>			

The annual debt service requirements to maturity for the notes payable are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2010	\$ 1,785,438	\$ 546,405	\$ 2,331,843
2011	1,495,438	452,486	1,947,924
2012	1,565,701	372,765	1,938,466
2013	1,635,701	289,075	1,924,776
2014	1,705,701	201,381	1,907,082
2015-2019	1,983,505	422,719	2,406,224
2020-2024	3,505	-	3,505
2025-2029	3,505	-	3,505
2030-2034	3,505	-	3,505
	<u>\$ 10,181,999</u>	<u>\$ 2,284,831</u>	<u>\$ 12,466,830</u>

For the year ended June 30, 2009, total principal and interest incurred related to notes payable was \$1,725,000 and \$559,315.

Business Type Activities: In October 2002, the County entered into a loan agreement with the State Department of Business and Economic Development pursuant to the provisions of the Maryland Economic Development Assistance Authority and Fund. The proceeds were used to finance a portion of the Edgewood-Joppa Enterprise Zone project to extend the public sewer.

	Principal Balance June 30, 2009	Interest Paid This Fiscal Year	Annual Rate/ Payment Frequency	Payment Begin	Date Matures
DBED Loans:					
Strescon Edgewood-Joppa	\$ 71,406	\$ 2,531	3.00%/Qtrly	Oct-03	Apr-11

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

The annual debt service requirements to maturity for the notes payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 35,283	1,781	\$ 37,064
2011	<u>36,123</u>	<u>827</u>	<u>36,950</u>
	\$ <u>71,406</u>	\$ <u>2,608</u>	\$ <u>74,014</u>

For the year ended June 30, 2009, total principal and interest, including accrued interest, incurred related to the notes payable was \$34,277 and \$2,531 .

f. LANDFILL CLOSURE LIABILITY

PRIMARY GOVERNMENT

Subtitle D of the Resource Conservation and Recovery Act of 1976, as amended, provides Federal guidelines and standards for municipal solid waste landfill closure and post-closure care. The State of Maryland's laws for solid waste management parallel Federal law. The permit for the Harford Waste Disposal Center is issued by the State and is subject to renewal every five years. Federal and State laws and regulations require the County to place a final cover on the Harford Waste Disposal Center when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for a thirty-year period after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, GASB Statement No. 18 requires the County to measure and recognize a portion of these closure and post-closure care costs each period based on landfill capacity used as of each balance sheet date.

As of June 30, 2009, the following changes occurred in Landfill Closure Liability recorded in Non-current Liabilities in the Statement of Net Assets:

	<u>Beginning Balance</u>	<u>Current Year Additions (Deductions)</u>	<u>Ending Balance</u>
Cumulative Liability for Open Landfills	\$ 12,663,965	\$ 2,637,192	\$ 15,301,157
Estimated Liability for Closed Landfills	<u>16,420,332</u>	<u>(191,695)</u>	<u>16,228,637</u>
	\$ <u>29,084,297</u>	\$ <u>2,445,497</u>	\$ <u>31,529,794</u>

The Cumulative Liability for the Open Landfill represents the cost, based on use of 96.0 percent of the estimated capacity. The County will recognize the remaining estimated cost of the Harford Waste Disposal Center closure and post-closure of \$562,687 as the remaining estimated capacity is used. As of June 30, 2009, it is estimated that the landfill has approximately 21 months before permitted space is filled.

The Estimated Liability for Closed Landfills represents the cost for final closure and post-closure care of Harford County municipal solid waste landfills that are no longer accepting solid waste.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Unreserved Fund Balance has been designated to cover the Cumulative Liability for Open Landfills, in the amount of \$15,301,157, (see NOTE 4 – DETAILED NOTES ON ALL FUNDS, G. Fund Balance, b. Governmental Activities with Unreserved Fund Balances Designated for Other Purposes).

The total estimated future cost of landfill closure is calculated in current dollars. Annual reevaluation of the estimated total cost of closure and post-closure care will be made to adjust for the effects of inflation or deflation, changes in the closure or post-closure plan, and changes in Federal, State and local regulatory requirements.

Harford County, Maryland; Baltimore County, Maryland and Northeast Maryland Waste Disposal Authority entered into an agreement January 16, 2008, entitled “Municipal Solid Waste Disposal Agreement”. Baltimore County agrees to accept municipal solid waste from Harford County under the terms of this agreement. Once the expansion of the Harford County Waste Disposal Center has been permitted, Baltimore County will deliver to Harford County in an amount equal to 130% of the waste received from Harford County. As of June 30, 2009, Harford County had delivered 62,521 tons of municipal solid waste to Baltimore County. The cost estimate to dispose of this waste is \$6,242,104.

The County was issued a Refuse Disposal Permit (2000-WMY-0570) on October 5, 2007, which provides for construction and operation new landfill cells at the Harford Waste Disposal Center. The first of the new landfill cells is expected to be operational in July 2011. The additional design capacity of the initial area of expanded landfill is approximately 675,000 cubic yards of municipal solid waste and is anticipated to have a service life of approximately four years. The total remaining service life of the permitted landfill is estimated to be 20 or more years, depending upon future waste management practices.

g. ADVANCED REFUNDING OF DEBT

On June 1, 2009, Harford County issued \$25,990,000 of Maryland Consolidated Public Improvement Refunding Bonds, Series 2009 with an effective interest rate of 2.29 percent, to provide resources to refund certain maturities of the 1996, 1997, and 1999 bonds. These resources were placed in an irrevocable trust to provide for all future debt service payments of \$26,565,000 of general obligation bonds. Of this amount, \$22,220,000 had been recorded in the governmental activities column and \$4,345,000 in the business-type activities column. At June 30, 2009, the refunded bonds are considered defeased and have been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by a net of \$567,784. Of this amount, a loss of \$592,194 has been recorded in the governmental activities and a gain of \$24,410 in the business-type activities. This amount is being netted against the new debt and amortized on a straight-line basis over the remaining life of the new debt. This advanced refunding was undertaken to reduce total debt service payments over the next 10 years by \$2,176,856 and resulted in an economic gain of \$3,401,187. Additionally, by this fiscal year end the refunded bonds were called and the bond holders paid, leaving a zero balance in defeased bonds outstanding.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

G. FUND BALANCE

a. GOVERNMENTAL ACTIVITIES WITH RESERVATION OF FUND BALANCE

Reservations of fund balance segregate a portion of the balance to indicate that these resources are for a specific purpose and are not available for appropriation for other purposes. As of June 30, 2009, fund balances were reserved as follows

	General	Highways	Grant
Encumbrances	\$ 1,326,225	\$ 994,451	\$ 1,202,525
Dedicated Revenues	14,550,630	-	-
Inventory	-	2,079,969	-
Loan Receivable	638,601	-	-
	<u>\$ 16,515,456</u>	<u>\$ 3,074,420</u>	<u>\$ 1,202,525</u>
	Non-Major Parks and Recreation		
	Capital Projects		Total
Encumbrances	\$ 42,449,656	\$ 11,955	\$ 45,984,812
Dedicated Revenues	10,166,459	-	24,717,089
Inventory	-	-	2,079,969
Loan Receivable	-	-	638,601
	<u>\$ 52,616,115</u>	<u>\$ 11,955</u>	<u>\$ 73,420,471</u>

**b. GOVERNMENTAL ACTIVITIES WITH UNRESERVED FUND BALANCES
DESIGNATED FOR OTHER PURPOSES**

As of June 30, 2009, Unreserved Fund Balances designated for other purposes are as follows:

	General	Agricultural Land Preservation	Total
Designated for Landfill Closure Costs	\$ 15,301,157	\$ -	\$ 15,301,157
Waste to Energy Plant Closure	63,350	-	63,350
Designated for Future Principal Payments on Development Rights	<u>-</u>	<u>37,983,430</u>	<u>37,983,430</u>
	<u>\$ 15,364,507</u>	<u>\$ 37,983,430</u>	<u>\$ 53,347,937</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION

A. SELF-INSURANCE

PRIMARY GOVERNMENT

The County carries commercial property insurance coverage with a \$2,500 deductible on real and personal property, and a \$25,000 deductible for physical damage to County-owned vehicles.

The County is self-insured for Workers' Compensation, General and Automobile liability losses. The self-insurance program is administered by a risk manager as established by the Harford County Code. The County carries excess coverage for these exposures, with \$350,000 retention for General and Automobile liability claims and \$350,000 retention for Workers' Compensation claims (\$400,000 for Sheriff's Office). The County is also required to maintain reserve funds of \$750,000 for Workers' Compensation claims in accordance with Article 101, Section 16 of the Code of Public General Laws of Maryland.

The pending claims liability of \$5,363,299 reported in the fund at June 30, 2009, is comprised of estimates of outstanding losses (including allocated loss adjustment expenses, ALAE, which are the direct expenses to settle specific claims) and losses projected to be paid as of June 30, 2009, and June 30, 2010. The estimated outstanding losses are the cost of unpaid claims, including case reserves, the development of known claims and claims incurred but not reported, IBNR claims. The amounts are limited to the self-insured retention. No estimate was made for unpaid unallocated loss adjustment expenses, which are typically 5 percent to 10 percent. The losses projected to be paid are the claim disbursements, regardless of accident or report date. Historical experience and actuarial assumptions were the basis used in estimating the liabilities for unpaid claims.

There have been no significant reductions in insurance coverage from the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

The changes in the fund's claims liability are as follows:

<u>Fiscal Year</u>		<u>Beginning of Year</u>		<u>Changes in Estimates</u>		<u>Payments</u>		<u>End of Year</u>
2008	\$	5,164,606	\$	1,543,357	\$	(1,717,243)	\$	4,990,720
2009	\$	4,990,720	\$	1,829,193	\$	(1,456,614)	\$	5,363,299

COMPONENT UNITS

Board of Education: The Board is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board is a member of the Maryland Association of Boards of Education Group Liability Insurance Pool and the Workmen's Compensation Self-Insurance Fund. These pools are self-insurance funds for the various member Maryland Boards of Education. The pools were organized for the purpose of minimizing the cost of insurance and related administrative expenses. Coverage is provided up to specified limits and the Harford County Board of Education pays an annual premium for the coverage provided by these pools. In addition to general liability insurance, the Group Liability Insurance Pool also provides coverage for property liability and automobile liability. Third-party carriers provide coverage above these limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION– CONTINUED

Harford Community College: The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College purchases commercial insurance to protect its interests.

Harford County Library: The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As a component unit of Harford County, Maryland, insurance for such losses is purchased from Harford County each year via a reduction in annual appropriations. Harford County purchases commercial insurance to cover the Library's buildings. Other claims are covered by Harford County's Self Insurance fund. As a condition to this participation, the Library must provide a physical inventory of all building contents, which the risk management department of the County appraises for insurance purposes. In addition, Harford County performs an inspection of all Library buildings annually. There have been no significant reductions in insurance coverage from the prior year. In addition, the amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

B. COMMITMENT AND CONTINGENCIES

PRIMARY GOVERNMENT

The County is involved in numerous lawsuits that normally occur in governmental operations, including claims for personal injury and personnel practices and disputes over contractual obligations and condemnation proceedings. The County has provided allowances for estimated probable losses on outstanding claims and incurred but not reported claims. The County is actively defending its position in each of these cases. In the opinion of the County officials and solicitors, resolution of these matters will not have a material adverse effect on the financial statements.

The County and Component Units receive significant financial assistance from the U.S. Government and the State of Maryland in the form of grants. Entitlement to grant resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal and State regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits in accordance with grantor requirements. Any disallowance as a result of these audits becomes a liability of the County. As of June 30, 2009, the County estimates that no material liabilities will result from such audits.

As of June 30, 2009, the County had the following commitments with respect to unfinished capital projects:

	Project Appropriation	Total Expenditures	Amount Funded	Required Future Funding
General County	\$ 127,742,817	\$ 61,925,682	\$ 76,389,059	\$ 51,353,758
Fire/Safety	74,488,299	64,993,073	69,299,732	5,188,567
Harford County Library	28,147,600	21,537,737	22,011,788	6,135,812
Harford Community College	17,161,936	13,597,876	14,128,254	3,033,682
Landfill	32,692,329	16,895,749	29,030,292	3,662,037
Parks and Recreation	83,752,830	49,878,986	59,292,438	24,460,392
Highways	95,086,462	59,794,556	75,626,353	19,460,109
Board of Education	367,062,137	291,896,178	306,529,660	60,532,477
	<u>\$ 826,134,410</u>	<u>\$ 580,519,837</u>	<u>\$ 652,307,576</u>	<u>\$ 173,826,834</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION– CONTINUED

The County depends upon the State of Maryland to collect income tax revenues for the Counties and Municipalities. In fiscal year 2009, income tax revenue due to the County from the State decreased \$25.2 million. Part of the decrease, \$14.8 million, is the result of the State of Maryland moving monies from the local tax reserve trust account to their general fund to help balance their 2010 budget. The State plans to replenish the local tax reserve trust account by withholding income tax revenues due to the Counties and Municipalities over ten years, starting in 2013.

COMPONENT UNITS

Board of Education: The Board has been named as defendant in several lawsuits, the outcome of which is uncertain. It is anticipated by the Board that an adverse decision on any or all of these suits would not have a material adverse effect on their financial statements.

C. ARBITRAGE REBATE REQUIREMENTS

PRIMARY GOVERNMENT

Arbitrage rebate requirements under Internal Revenue Code Section 1.148-3 apply to the County's investment of the proceeds of the Consolidated Public Improvement Bonds of 1997, 1999, 2001, 2002, 2004, 2005, 2007 and 2009.

The law requires the computation and payment of arbitrage profits on unspent proceeds of a bond issue if the current investment of these funds yields a higher rate of return than the original bond issue.

The filing of this computation and payment to the Internal Revenue Service is required at the end of the fifth year of the bond issuance date and every 5 years subsequently; however, computations and filings can be made for annual periods. The County has determined it may be liable to the federal government for arbitrage rebate on the proceeds of the 2005 General Obligations issue. The County believes the liability, if any, is not material to the financial statements.

D. CONDUIT DEBT

PRIMARY GOVERNMENT

From time to time, the County has issued Maryland Industrial Development Revenue Bonds, Maryland Economic Development Revenue Bonds, and Maryland Mortgage Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities and provision of housing deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2009, there were 16 series of Industrial Development, Economic Development, or Mortgage Revenue Bonds outstanding. The aggregate principal amount outstanding, for the ten bonds issued after July 1, 1996, is \$51.4 million as of June 30, 2009. The aggregate principal amount payable for the nine series issued prior to July 1, 1996, could not be determined; however, their original issue amounts totaled \$21.4 million.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION– CONTINUED

E. RETIREMENT PLANS

a. PENSION PLANS – TEACHERS AND CLASSIFIED EMPLOYEES

Plan Description: The employees of the reporting entity, other than certain correctional employees, who are covered by the Sheriff's Office Pension System, are covered by either the Employees'/Teachers' Retirement System, the Employees'/Teachers' Pension System, or the Law Enforcement Officers' Pension System. These plans are administered by the State Retirement and Pension System of Maryland (the System). The State of Maryland is the primary sponsor of this multi-employer, defined benefit system which provides pension benefits and death and disability benefits to plan members and their beneficiaries. The State Personnel and Pensions Article of the Annotated Code of Maryland specify all plan benefits to plan members. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Office of Legislative Audits, State Office Building, 301 West Preston Street, Baltimore, Maryland, 21201, or by calling 410-946-5900.

Funding Policies: Plan Members of the Employees' Retirement System contribute up to 7 percent of their covered salary each fiscal year. Effective July 1, 2006, the Governor signed House Bill 1737, State Employees' and Teachers' Pension Enhancement Benefit Act of 2006. Members of the Employees' Pension System contributed 5 percent of their covered salary in fiscal year 2009. Members of the Law Enforcement Officers' Pension System contribute 4 percent of their covered salary each fiscal year. The County and its component units are required to contribute at an actuarially determined rate.

The contribution requirements of plan members of the reporting entity are established and may be amended by the System Board of Trustees. The contributions for the fiscal year ending June 30th to the System, exclusive of contributions made directly by the State of Maryland, were equal to the actuarially determined amount, as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Primary Government	\$ 10,369,947	\$ 11,409,372	\$ 8,865,581
Component Units:			
Board of Education	2,985,775	3,183,434	2,662,247
Harford Community College	46,888	49,780	42,841
Harford County Library	123,580	129,063	110,742

b. PENSION PLAN – VOLUNTEER FIREMEN

The County instituted and began administering a single employer defined benefit length of service award program, or LOSAP, for volunteer firemen and ambulance personnel on January 31, 1975. The plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Harford County Government, Treasurer's Office, 220 South Main Street, Bel Air, Maryland 21014, or by calling 410-638-3316.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION– CONTINUED

Plan Description: This LOSAP, Length of Service Award Program is different from traditional qualified retirement plans. There is a special section in the Internal Revenue Code covering these plans: section 457(e)(11). The County's plan meets the requirements of this section, which means the payments to the fire fighters are not treated as "wages"; and, because the County is an "eligible employer", as defined by IRS, the plan is tax exempt.

Based on County statutes, the firemen and ambulance personnel are eligible to participate upon accumulating "50 (fifty) points", which are determined in accordance with a specific point system. Benefits vest upon 25 years of service credit. The plan generally provides \$5,000 burial benefits and certain benefits for disability. Regular benefits are calculated at \$12 per month for each of the first 25 years of service plus \$6 per month for each year in excess of 25. The maximum benefit is \$450 per month. Normal form of benefit is a life annuity for the volunteer with a 50 percent survivor benefit for the spouse of the volunteer.

The membership data related to the plan at June 30, was as follows:

Retirees and beneficiaries currently receiving benefits	339
Terminated plan members entitled to, but not yet receiving benefits	265
Active plan members	<u>965</u>
Total	<u>1,569</u>

Basis of Accounting: The Firemen's LOSAP plan uses the accrual basis of accounting. The County contributions are revenues in the period in which volunteer services are performed. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method used to Value Investments: Investments are reported at market value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The County has hired an investment firm to manage the investments of the volunteer firemen's LOSAP plan.

Contributions and Funding Policy: Under provisions of County statutes, the County must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements. Periodic County contributions to the pension plan are determined by an actuarially determined rate. Since there are no "salaries," the rate cannot be expressed as a percentage of covered payrolls. There are no participant financed benefits in this plan. Administrative costs are financed through investment earnings.

Annual Pension Cost (APC) and Net Pension Obligation (NPO) to The County for this LOSAP are as follows:

Annual Required Contribution	\$ 2,387,771
Contributions made	<u>2,387,771</u>
Net Pension Obligation, Beginning and end of the year	<u>\$ -</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION– CONTINUED

Actuarial Information: The annual required contribution for the current year was determined as part of the September 30, 2008, actuarial valuation using the entry age level dollar funding method, with a 15 year closed period amortization of the unfunded liability. Under this method a normal cost is calculated which would, if contributed annually, fund each volunteer's benefits during his or her career at a level dollar amount. The unfunded actuarial liability is calculated at each valuation date as the present value of all plan benefits, less current assets. The actuarial assumptions included a 6 percent investment rate of return compounded annually. The Firemen are voluntary and therefore would not have a projected salary increase. The assumptions did not include post retirement benefit increases since none are provided. The actuarial value of assets was determined using market value as of June 30, 2008, plus adjustments to September 30, 2008.

Three years of trend information is as follows:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>% of APC Contributed</u>	<u>Net Pension Obligation</u>
2007	\$ 1,046,218	100%	NONE
2008	1,387,771	100%	NONE
2009	2,387,771	100%	NONE

c. PENSION PLAN – SHERIFF'S OFFICE PENSION SYSTEM

The County instituted and began administering a single employer defined benefit pension plan, the Sheriff's Office Pension System (the SOPS) effective July 1, 1997, for certain law enforcement and correctional employees of the Office of the Sheriff of Harford County. The SOPS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Harford County Government, Treasurer's Office, 220 South Main Street, Bel Air, Maryland 21014, or by calling 410-638-3316.

The Internal Revenue Service issued a determination letter on September 20, 2002, which stated that the Plan and its underlying trust qualify under the applicable provision of the Internal Revenue Code, and therefore are exempt from Federal income taxes. In the opinion of the Plan Administrator, the Plan and its underlying trust have operated within the terms of the Plan and remain qualified under the applicable provisions of the Internal Revenue Code.

Plan Description: Harford County Bill No. 97-20 assigns the authority to establish and amend the benefit provisions of the plan to the government by county ordinance. The SOPS provides retirement, disability and death benefits to plan members and their beneficiaries. Effective July 1, 2005, per Bill 05-22, the cost of living increase of the CPI-U is limited to 3 percent applied each July 1 for all participants in pay status for the requisite 12 months.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION– CONTINUED

The membership data related to the SOPS at June 30 was as follows:

Plan Participants

Retirees and beneficiaries currently receiving benefits	56
Terminated plan members entitled to, but not yet receiving benefits	9
Terminated non-vested participants who had not yet received their employee contributions	3
Active Plan members	<u>123</u>
Total	<u>191</u>

Basis of Accounting: The SOPS uses the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method used to Value Investments: Investments are reported at fair market value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. The County has hired an investment firm to manage the investments of the Sheriff's Office Pension System.

Contributions and Funding Policy: Plan members are required to contribute 7 percent of their annual covered salary. The County is required to contribute at an actuarially determined rate, currently 30.7 percent of covered payroll. Per Bill 97-20, contribution requirements of the plan members and the County are established and may be amended by County legislature. Administrative costs of the SOPS are to be paid by the trust unless the County decides to do so.

Annual Pension Cost (APC) and Net Pension Obligation (NPO) to the County for the SOPS are as follows:

Annual Required Contribution	\$ 2,745,971
Contributions made	<u>2,745,971</u>
Net Pension Obligation, Beginning and end of the year	<u>\$ -</u>

Actuarial Information: The annual required contribution for the current year was determined as part of the July 1, 2008, actuarial valuation using the projected unit cost method. Under this method, the actuarial liability represents the present value of projected benefits prorated for service to date for current participants. The normal cost represents the present value of projected benefits allocated to the current year for active participants who have not attained normal retirement age. Any actuarial gains and losses resulting from actual plan experiences either more or less favorable than anticipated on the basis of the actuarial assumptions and asset valuation method will result in direct adjustments of the unfunded actuarial accrued liability. These adjustments will be amortized over a rolling 15-year period.

Generally, contributions toward the funding of the plan are derived as the sum of the normal cost and a payment toward the amortization of the unfunded actuarial liability. The original unfunded accrued liability will be amortized over the next 13 years, closed; various adjustments are being amortized over 15 to 28 years, closed. Payments toward the unfunded liability increase by 3 percent per year. The actuarial assumptions included (a) a

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION– CONTINUED

7.50 percent investment rate of return compounded annually and (b) salary increases of 9.50 percent for each of the first four years of service, 6.50 percent for the fifth year, 5.50 percent for each of the next five years, 5.00 percent for each of the next 15 years, and 3.50 percent annually thereafter.

Three years of trend information is as follows:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>% of APC Contributed</u>	<u>Net Pension Obligation</u>
2007	\$ 1,410,000	100%	NONE
2008	2,388,571	100%	NONE
2009	2,745,971	100%	NONE

d. PENSION PLANS – COMPONENT UNITS

Harford Center, Inc.: The Center participates in a tax-deferred annuity plan qualified under Section 401(k) of the Internal Revenue Code. The Plan covers all full-time employees of the Center. Employees may make contributions to the Plan up to a maximum amount allowed by the Internal Revenue Code. Plan expenses were \$20,000 for the year ended June 30, 2009.

F. OTHER POST EMPLOYMENT BENEFIT PLANS

PRIMARY GOVERNMENT

Beginning in fiscal year 2008 the County administers a single employer defined benefit post-employment health care plan, titled Other Post Employment Benefit (OPEB) Plan (the Plan). The County established a trust to act solely as a funding mechanism for the employers cost of benefits provided by the OPEB Plan. This trust fund is included solely in these financial statements, as an Other Post Employment Benefits Trust Fund.

Plan Description: The County's OPEB Plan is established by the Administrative Policy on Retiree Medical Benefits (APRMB) of Harford County, Maryland, effective July 1, 1994, as amended. The APRMB defines the terms, including eligibility and benefits, of the retiree health and welfare benefits provided by the County. Employees of the County who retire from active County service with a pension benefit under the Maryland State Retirement System or the Sheriff's Office Pension System may receive a subsidy toward the purchase of group health benefits. The Director of Human Resources may amend the APRMB at any time, or terminate the APRMB, or any portion thereof, at any time for any reason.

Under the current APRMB retirees may continue the same medical, dental, vision and life insurance coverage they are entitled to receive (including family coverage) as active employees. Employees with deferred retirements are not eligible for a subsidy. Effective July 1, 1998, the spouses of employees also receive a subsidy toward the purchase of group health benefits. Spouses receive the same subsidy as the retiree. The subsidy for retirees and their spouses for post-employment medical insurance is based on their years of service with the County. From July 1, 2008 to February 28, 2009, 10 years was required to receive a subsidy. Effective March 1, 2009, the APRMB was changed to require a minimum of 20 years to receive a subsidy. This change does not apply to any Sheriff's Office personnel; and is not retroactive for any employees who retired on or before March 1, 2009. Any employee that does not elect to enroll in benefits at the time of the employee's retirement has forfeited the right to any future retiree medical benefits.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION– CONTINUED

The subsidy related to years of service for all County employees except Sheriff Office employees, effective March 1, 2009 is:

Years of Credit Service	Employer Subsidy Percentage	
	Employees Retiring Prior to March 1, 2009 And Sheriff's Office Employees	Employees Retiring On or after March 1, 2009
0-9 years	0%	0%
10-14 years	75%	0%
15-19 years	80%	0%
20-24 years	85%	85%
25 years or more	90%	90%

The Sheriff's Office employees are also eligible for 90% subsidy for in line of duty retirements with a minimum of 5 years of service.

Membership in the plan consisted of the following of July 1, 2007 actuarial valuation:

<u>Plan Participants</u>	
Retirees and beneficiaries currently receiving benefits	
Retirees (Pre-Medicare)	216 *
Retirees (Medicare Age)	221 *
Active Employees	1,428
Total	<u>1,865</u>

* Does not include spouses

Basis of Accounting: The plan uses the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Funding Policy: The County is not required by law or contractual agreement to provide funding for retiree benefits other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents. The County may contribute to the Trust Fund those amounts that the County Council appropriates. All contributions and all earnings and other additions, less payments, constitute the assets of the Trust Fund; which must be held for the exclusive benefit of participants covered by the APRMB. The Trust may be, but is not required to be, the sole source of funding for the employers share of the cost of benefits to be provided under APRMB. The County contributed the full ARC during fiscal year 2009; the retirees paid \$441,200 toward the cost of their benefits. The Trust reimbursed the County for the County's share of retiree's premiums of \$2,311,917. In addition the hidden subsidy, actuarially estimated at \$684,000 for fiscal year 2009, transferred from Trust to the County, leaving Trust Assets of \$21,453,633.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION– CONTINUED

Trust Assets at June 30, are derived as follows:

Trust Net Asset Balance as of July 1, 2008	\$	12,032,859
County Contribution		12,284,000
Interest and Dividends		132,691
Retirees Contributions		441,200
Payment for County's Share of Premiums		(2,311,917)
Payment for Retirees' Share of Premiums		(441,200)
Estimated Hidden Subsidy Transfer		(684,000)
Trust Net Asset Balance as of June 30, 2009	\$	<u>21,453,633</u>

Method Used to Value Investments: Investments are reported at fair market value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. The County plans to hire an investment firm to manage the investments of the Other Post Employment Benefits Trust Fund.

Annual OPEB Cost and Net OPEB Obligations: The County's OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount that was actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2009 were as follows:

Annual Required Contribution	\$	12,284,000
Contributions made		<u>12,284,000</u>
Net OPEB Obligation, Beginning and end of the year	\$	<u>-</u>

Funding Status and Funding Progress: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the ARC of the County are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown as required supplementary information, presents the results of OPEB valuations as of June 30, 2008 and 2009; going forward, the schedule will eventually provide multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION– CONTINUED

Two years of trend information is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Projected Unit Credit	(3) Percentage Funded (1)/(2)	(4) Unfunded AAL (UAAL) (2) – (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll ((2 – 1)/5)
10/26/2006	\$ -	\$ 126,613,000	0.0%	\$ 126,613,000	\$ 84,351,442	150.1%
01/20/2009	12,036,000	127,648,000	9.4%	115,612,000	92,612,815	124.8%

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The annual required contribution for the current year was determined as part of the January 20, 2009 actuarial evaluation using the projected unit method; it is being amortized over a period of 30 years. The actuarial assumptions include an 8 percent investment rate of return compounded annually. The funding method is level percentage of projected payroll. Payroll is assumed to increase at 3.5 percent per annum. This assumption is used to determine the level percentage of payroll amortization factor.

COMPONENT UNITS

The Board of Education (the Board) provides medical, dental and life insurance benefits to eligible employees who retire from employment with the Harford County Public School System. The employer's contributions are financed on a pay-as-you-go basis, and the future payment of these benefits is contingent upon the annual approval of the operating budget. Details of the postemployment benefits provided are as follows:

Medical Benefits – Retirees are eligible for continued membership in one of the school system's group medical plans provided that they have at least 10 years service with the Harford County Public Schools and are under 65 years of age. The school system pays premiums for these plans limited to 80% or 90% based on the health plan chosen. Supplemental coverage for retirees 65 years of age and older are also paid up to 90% of premiums for such coverage. The medical benefits paid by the Board for the year ended June 30, 2009 was \$13,596,805. As of June 30, 2009; 1,769 of approximately 1,926 eligible participants were receiving benefits.

Dental Benefits – The Board pays 90% of dental coverage for retirees with at least 10 years service. The dental benefits paid by the Board for the year ended June 30, 2009 was \$710,539. As of June 30, 2009; 1,753 of approximately 1,926 eligible participants were receiving benefits.

Life Insurance Benefits – the Board pays 90% of the life insurance premiums for retirees with at least 10 years of service with the amount of insurance coverage reducing from \$20,000 upon retirement to \$10,000 five years after retirement. The life insurance benefits paid by the Board for the year ended June 30, 2009 was \$42,782. As of June 30, 2009; 1,694 of approximately 1,926 eligible participants were receiving benefits.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION– CONTINUED

Annual OPEB Cost and Net OPEB Obligation

The Board's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Board's net OPEB obligation:

Annual required contribution	\$	36,021,000
Interest on net OPEB obligation		340,000
Amortization of net OPEB obligation		(337,000)
Annual OPEB cost (expense)		<u>36,024,000</u>
Contributions made		<u>-</u>
Increase in net OPEB obligation		36,024,000
Net OPEB obligation - beginning of year		<u>8,489,815</u>
Net OPEB obligation - end of year	\$	<u><u>44,513,815</u></u>

The Harford Community College (the College) sponsors post-employment medical benefits under a single employer defined benefit plan. Any full-time employee of Harford Community College is eligible to participate in the plan. The College allows access to the plan if the retiree: a) retires or becomes disabled with an immediate benefit from the State Retirement and Pension System of Maryland or b) meets the minimum age eligibility requirement to begin distribution from the Maryland Optional Retirement Plan and c) has been actively participating within the College sponsored health plan for at least the most recent ten (10) full consecutive years and d) has at least 10 years of employment service. Disabled participants must reach retirement eligibility. Dependents and surviving spouses of participants are allowed access to the plan but must also pay the full premium. A closed group of retirees receives an annual subsidy of \$4,800 as part of a retirement window benefit program. As of June 30, 2009, there were eight eligible and participating retirees receiving an annual subsidy. As of June 30, 2009, there were 73 participants out of 283 total participants receiving benefits.

The College funds its post-employment benefits on a pay-as-you-go basis. The 2009 fiscal year cost for the College was \$67,000.

The College's OPEB cost is calculated based on the ARC of the employer, an amount that was actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION– CONTINUED

At June 30, 2009, the College's annual required contribution; contributions made and net OPEB obligation were:

Annual required contribution	\$ 67,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>67,000</u>
Contributions made	<u>(37,796)</u>
Increase in net OPEB obligation	29,204
Net OPEB obligation - beginning of year	23,017
Net OPEB obligation - end of year	<u><u>\$ 52,221</u></u>

The Harford County Library (the Library) provides a portion of medical insurance benefits, in accordance with state statutes, to eligible employees who retire from employment with the Harford County Public Library. The Library's contributions are financed on a pay-as-you-go basis through the County.

Employees who retire from Harford County Public Library who are eligible to participate in the State Pension Plan are eligible for medical insurance during retirement. Retirees who are eligible for this subsidy must elect coverage at the time of retirement. Retirees may not elect to discontinue and re-enroll at a later date. Currently, 32 retirees who meet eligibility requirements for employer subsidized health insurance are enrolled in the retiree medical plans.

Annual OPEB Cost and net OPEB Obligation – The Library's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Library's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Library's net OPEB obligation.

Annual required contribution	\$ 878,000
Interest on net OPEB obligation	75,000
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>953,000</u>
Contributions made	<u>(119,028)</u>
Increase in net OPEB obligation	833,972
Net OPEB obligation - beginning of year	968,751
Net OPEB obligation - end of year	<u><u>\$ 1,802,723</u></u>

The Library has designated \$560,000 at June 30, 2009 and has appropriated an additional \$280,000 in its fiscal year 2010 budget to fund the OPEB liability.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – OTHER INFORMATION– CONTINUED

G. SUBSEQUENT EVENTS

PRIMARY GOVERNMENT

The County passed three bills authorizing future debt, the bills are:

- Bill No. 09-26, effective October 13, 2009, authorizing the sale of bonds for a maximum amount of \$73,308,000, proceeds to be used for the expansion, reconstruction, rehabilitation, renovation and improvement of certain projects as described in the Annual Budget and Appropriation Ordinance.
- Bill No. 09-27, effective October 13, 2009, authorizing the sale of bonds for a maximum amount of \$16,750,000, proceeds to be used for the expansion, reconstruction, rehabilitation, renovation and improvement of certain water and sewer system projects.
- Bill No. 09-28, effective October 13, 2009, authorizing the sale of bonds for a maximum amount of \$17,525,000, proceeds to be used for the erosion protection of the Stuart Terrace Stream.

Required Supplementary Information

The information provided in this section is required supplementary disclosures.

**HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
PENSION TRUST FUNDS**

Schedule 1

SHERIFF'S OFFICE PENSION SYSTEM

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Cost	Percentage Funded (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/5)
7/1/2006	24,009,239	37,394,897 ¹	64.2%	13,385,658	4,828,725	277.2%
7/1/2007	26,445,775	40,988,678	64.5%	14,542,903	6,222,088	233.7%
7/1/2008	29,402,030	43,903,198	67.0%	14,501,168	6,863,159	211.3%

¹ Adjusted by the accrued transfer of assets to the state LEOPS as of July 1, 2006.

VOLUNTEER FIREFIGHTERS LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Percentage Funded (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/5)
9/30/2006	11,620,886	21,928,036	53.0%	10,307,150	N/A	N/A
9/30/2007	13,307,771	24,290,687	54.8%	10,982,916	N/A	N/A
9/30/2008	14,114,730	24,678,279	57.2%	10,563,549	N/A	N/A

N/A Not applicable because the volunteers are not compensated.

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFIT (OPEB) TRUST

Schedule 2

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Percentage Funded (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/5)
10/26/2006	\$ -	\$ 126,613,000	0.0%	\$ 126,613,000	\$ 84,351,442	150.1%
1/20/2009	12,036,000	127,648,000	9.4%	115,612,000	92,612,815	124.8%

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFIT (OPEB) TRUST FUND

Schedule 3

Year Ended June 30		Annual Required Contribution	Percentage Contributed
2008	\$	14,198,000	100%
2009		12,284,000	100%

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation date	1/20/2009
Actuarial cost method	Projected Unit Credit Method
Amortization method	Level Percentage of Projected Payroll
Remaining amortization factor	16 (rounded)
Asset valuation method	Market Value
Actuarial assumptions:	
Discount Rate	8%
Projected salary increases	3.50%

Supplementary Information

Schedules and Combining Statements

The schedules provide selected detailed information concerning the general fund, parks & recreation special revenue fund, capital project fund and enterprise fund; and the combining statements provide detailed information concerning the financial position and results of operations for the internal service and fiduciary funds.

GOVERNMENTAL FUNDS

General Fund

The General Fund is the general operating fund of the County and is used to account for all financial resources except for those required to be accounted for in another fund.

Special Revenue Fund

Parks & Recreation Special Revenue Fund - Parks & Recreation Special Revenue Fund was established by Council Bill 00-64 to account for the receipts and expenditures of the self-supporting activities of the Emmorton Recreation and Tennis Center, Recreation Councils and/or the Oakington Peninsula.

Capital Projects Fund

General County Capital Projects Fund – This fund accounts for the financial resources used in the acquisition, renovation, and construction of major general county capital assets, including general government, education, library, public safety, public works, and parks and recreation projects.

General Fund

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009

Exhibit A-1

	ESTIMATED REVENUES		ACTUAL	VARIANCE
	ORIGINAL	FINAL	REVENUES	POSITIVE (NEGATIVE)
				ESTIMATED
				REVENUES
TAXES				
911 Program Fee	\$ 2,357,500	\$ 2,357,500	\$ 1,716,446	\$ (641,054)
Admissions and Amusement Tax	635,500	635,500	538,693	(96,807)
Corporate Property/Current Year	9,174,800	9,174,800	10,053,949	879,149
Corporate Property/Prior Years	(100,000)	(100,000)	(134,306)	(34,306)
Business Personal Property/Current Year	391,463	391,463	332,072	(59,391)
Business Personal Property/Prior Years	(50,000)	(50,000)	(136,114)	(86,114)
County Service Charges	461,250	461,250	840,405	379,155
Delinquent Tax Costs	66,625	66,625	108,203	41,578
Impact Fees	2,601,687	2,601,687	2,436,848	(164,839)
Income Taxes/Current Year	172,502,132	172,502,132	157,471,468	(15,030,664)
Income Taxes/Prior Years	5,083,646	5,083,646	3,893,387	(1,190,259)
Interest on Delinquent Taxes	850,000	850,000	1,003,017	153,017
Mobile Home Excise Tax	230,625	230,625	220,235	(10,390)
Payment in Lieu of Taxes	153,750	153,750	249,934	96,184
Penalty	820,000	820,000	935,658	115,658
Railroad and Public Utilities	13,878,703	13,878,703	12,414,635	(1,464,068)
Real Property - Full Year Levy	229,199,096	229,199,096	232,321,404	3,122,308
Real Property - Half Year Levy	787,100	787,100	626,933	(160,167)
	<u>439,043,877</u>	<u>439,043,877</u>	<u>424,892,867</u>	<u>(14,151,010)</u>
Less: Tax Credits and Uncollectibles				
Ag. Preservation Incentive/Easements	(1,400,000)	(1,400,000)	(1,299,668)	100,332
Enterprise Zone Tax Credit	(1,500,000)	(1,500,000)	(1,325,181)	174,819
Homeowner's Tax Credit - County	(500,000)	(500,000)	(304,774)	195,226
Community Association Credit	(6,000)	(6,000)	(6,614)	(614)
Conservation Land Tax Credit	(1,500)	(1,500)	(1,500)	-
Discounts Allowed on Taxes	(1,500,000)	(1,500,000)	(1,473,514)	26,486
Homestead Tax Credit - County	(22,433,285)	(22,433,285)	(21,190,267)	1,243,018
Landfill Proximity Credit	(28,000)	(28,000)	(31,633)	(3,633)
Natural Disaster Tax Credit	(2,500)	(2,500)	(2,502)	(2)
Solar Energy Credit	(5,000)	(5,000)	(5,000)	-
Surviving Spouse - Fallen Hero Tax Credit	(9,500)	(9,500)	(9,631)	(131)
Surviving Spouse - Veterans Tax Credit	(2,500)	(2,500)	-	2,500
Uncollectible Property Taxes	(100,000)	(100,000)	(164,738)	(64,738)
	<u>(27,488,285)</u>	<u>(27,488,285)</u>	<u>(25,815,022)</u>	<u>1,673,263</u>
Total Taxes	411,555,592	411,555,592	399,077,845	(12,477,747)
REVENUES FROM OTHER AGENCIES				
Civil Defense Rebate	143,500	143,500	169,129	25,629
Jury Compensation	148,625	148,625	153,390	4,765
Medicare D Subsidy	-	-	100,161	100,161
Police Protection	1,992,033	1,992,033	1,994,031	1,998
Stormwater Management - Town	4,100	4,100	4,000	(100)
Total Revenues from Other Agencies	2,288,258	2,288,258	2,420,711	132,453
INVESTMENT INCOME	2,593,941	2,593,941	3,184,705	590,764

continued

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009
(continued)

Exhibit A-1

	ESTIMATED REVENUES		ACTUAL REVENUES	VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		ESTIMATED REVENUES
CHARGES FOR CURRENT SERVICES				
Abandoned Buildings	25,625	25,625	21,585	(4,040)
Admin Fee - COBRA Insurance	1,538	1,538	768	(770)
Auto Commute - County Employees	7,175	7,175	4,892	(2,283)
Bad Check Fee	2,819	2,819	3,150	331
Board of Prisoners	2,665,000	2,665,000	1,971,226	(693,774)
Building Plan Review	410	410	1,810	1,400
Building Reinspection Fee	10,250	10,250	3,950	(6,300)
Child Custody	15,375	15,375	10,535	(4,840)
Commissions	117,875	117,875	180,555	62,680
Community Work Service	19,475	19,475	19,105	(370)
Concept Plans	8,713	8,713	-	(8,713)
Data Processing Services	3,075	3,075	-	(3,075)
Design Review	3,075	3,075	2,294	(781)
Detention Center Commissary	230,625	230,625	301,749	71,124
Election Fees	18,450	18,450	347	(18,103)
Electrical Reinspection Fees	8,200	8,200	3,575	(4,625)
Extension Preliminary Plan Approval	1,538	1,538	430	(1,108)
False Alarm Service Charges	47,150	47,150	101,900	54,750
Final Plats	35,875	35,875	25,690	(10,185)
Flying Point and Mariner Park Revenue	18,450	18,450	8,030	(10,420)
Food Service Licenses	102,500	102,500	104,975	2,475
Forest Conservation Plan Review	17,938	17,938	8,038	(9,900)
Forest Stand Delineation Review	10,250	10,250	7,079	(3,171)
Harford Cable Network	35,875	35,875	31,631	(4,244)
Hazardous Material Spill Cleanup	25,625	25,625	30,461	4,836
Household Waste - Private Vehicle Charge	423,157	423,157	382,885	(40,272)
Inmate Fees for Medical Services	14,350	14,350	5,035	(9,315)
IRB Administration	15,375	15,375	-	(15,375)
Miscellaneous Revenue - Planning & Zoning	4,613	4,613	3,558	(1,055)
Miscellaneous Revenue - Sheriff's Office	46,125	46,125	45,761	(364)
Onsite Inspection Fees	1,025	1,025	4,072	3,047
Percolation Tests	61,500	61,500	34,350	(27,150)
Photographs	180	180	402	222
Plotting Service - GIS	205	205	445	240
Plumbing Reinspection Fees	3,075	3,075	700	(2,375)
Police Reports	10,250	10,250	8,938	(1,312)
Postage	205	205	641	436
Public Swimming Pool & Spa Permit	20,500	20,500	18,000	(2,500)
Publications	1,025	1,025	1,084	59
Recycled Batteries	4,000	4,000	4,596	596
Recycled Scrap Metal	190,000	190,000	196,320	6,320
Recycling Revenue - Miscellaneous	360,892	360,892	238,947	(121,945)
Reproduction	30,750	30,750	21,615	(9,135)
Sanitation Construction Permit Fee	20,500	20,500	12,864	(7,636)
Sanitation Permits	15,375	15,375	8,250	(7,125)
Sale of Compost - Scarboro	18,028	18,028	25,542	7,514
Sale of Mulch - Scarboro	57,691	57,691	85,074	27,383
Sale of Plans and Specifications	2,050	2,050	7,163	5,113
Sale of Promotional Items	8,200	8,200	2,651	(5,549)

continued

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009
(continued)

Exhibit A-1

	ESTIMATED REVENUES		ACTUAL	VARIANCE
	ORIGINAL	FINAL	REVENUES	POSITIVE (NEGATIVE)
				ESTIMATED
				REVENUES
CHARGES FOR CURRENT SERVICES (continued)				
Screen Dump - GIS	55	55	30	(25)
Sheriff's Fees	297,250	297,250	395,389	98,139
Sheriff's Licenses	12,300	12,300	12,320	20
Site Plans	15,375	15,375	25,158	9,783
Social Security Payments-Inmates	14,350	14,350	18,200	3,850
State Park Revenue - DNR	41,000	41,000	11,288	(29,712)
Stationary and Forms	205	205	-	(205)
Subdivision Plans	61,500	61,500	25,828	(35,672)
Subdivision Plat Review	15,375	15,375	9,430	(5,945)
Tax Lien Certification	230,625	230,625	174,200	(56,425)
Technical Review	61,500	61,500	68,959	7,459
Telephone Service	20,500	20,500	15,736	(4,764)
Tipping Fee Credit	(78,174)	(78,174)	(9,391)	68,783
Tipping Fee Balt Co Waste Exchange	-	-	1,020,241	1,020,241
Tipping Fee Solid Waste	1,435,895	1,435,895	454,016	(981,879)
Tire Disposal Fees	627	627	2,056	1,429
Topographic Maps - GIS	410	410	-	(410)
Weekend Prisoner Revenue	51,250	51,250	71,542	20,292
Well Sampling	30,750	30,750	28,245	(2,505)
Work Release Revenue	179,375	179,375	110,539	(68,836)
WTE - Credit	(503,826)	(503,826)	(316,206)	187,620
WTE - Permitted Materials	400,000	400,000	478,352	78,352
WTE - Recovered Materials	15,000	15,000	25,095	10,095
WTE - Steam Sales	5,700,000	5,700,000	4,034,658	(1,665,342)
WTE - Tipping Fees	5,731,145	5,731,145	5,009,715	(721,430)
WTE - Tire Disposal	400,000	400,000	426,093	26,093
Zoning Appeals	32,800	32,800	12,350	(20,450)
Zoning Reclass Fee	-	-	259,200	259,200
Total Charges for Current Services	18,907,239	18,907,239	16,315,711	(2,591,528)
MISCELLANEOUS				
Edgewood Community Center	14,350	14,350	12,979	(1,371)
Grant Unemployment	43,050	43,050	44,229	1,179
Interest on Miscellaneous Invoices	22,000	22,000	32,894	10,894
Miscellaneous Revenue	153,950	153,950	336,511	182,561
Over and Short	(850)	(850)	1,620	2,470
Parole and Probation	1,025	1,025	385	(640)
Postage	225,500	225,500	228,505	3,005
Recovery from Capital Projects	41,000	41,000	267,523	226,523
Reimbursement from Highways	2,463,532	2,463,532	2,463,532	-
Reimbursement from Water and Sewer Fund	1,852,529	1,852,529	1,852,529	-
Rental Income	256,250	256,250	427,252	171,002
Reproduction - Print	84,050	84,050	46,144	(37,906)
Sale of Usable Property	105,575	105,575	280,299	174,724
Stationary/Forms	9,738	9,738	5,883	(3,855)
Traffic Safety Recovery	895,244	895,244	895,244	-
Transportation Recovery	3,130,000	3,130,000	3,130,000	-
Trust & Agency - Risk Management	969,305	969,305	969,305	-
Total Miscellaneous	10,266,248	10,266,248	10,994,834	728,586

continued

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009
(continued)

Exhibit A-1

	ESTIMATED REVENUES		ACTUAL	VARIANCE
	ORIGINAL	FINAL	REVENUES	POSITIVE (NEGATIVE)
				ESTIMATED
				REVENUES
<u>LICENSES AND PERMITS</u>				
Auctioneers Licenses	7,175	7,175	5,550	(1,625)
Beer, Wine and Liquor Licenses	20,500	20,500	6,471	(14,029)
Building Inspection Services	153,750	153,750	55,543	(98,207)
Building Penalty	13,325	13,325	10,250	(3,075)
Building Permits	589,375	589,375	343,151	(246,224)
Cable TV	1,332,500	1,332,500	1,267,707	(64,793)
Close Out Sales Licenses	77	77	-	(77)
Dog Licenses	87,125	87,125	97,574	10,449
Electrical Board of Examiners	76,875	76,875	88,971	12,096
Electrical Inspections	384,375	384,375	255,937	(128,438)
Electrical Postcard Permits	3,075	3,075	11,825	8,750
Electrical Penalty	6,150	6,150	4,135	(2,015)
Forest Harvest Permit	1,538	1,538	3,925	2,387
Kennel Licenses	2,255	2,255	2,100	(155)
Marriage Licenses	14,863	14,863	14,390	(473)
Marriage Licenses/Spouse Abuse	38,950	38,950	38,078	(872)
Mobile Home Park Licenses	8,405	8,405	8,340	(65)
Pawnbrokers Licenses	1,025	1,025	1,000	(25)
Pet Shop/Grooming Licenses	1,230	1,230	1,150	(80)
Plumbing Licenses	10,763	10,763	10,440	(323)
Plumbing Penalty	1,025	1,025	4,365	3,340
Plumbing Permits	435,625	435,625	229,770	(205,855)
Plumbing Postcard Permits	43,050	43,050	31,900	(11,150)
Refuse Licenses	7,200	7,200	6,500	(700)
Solicitors Licenses	410	410	1,214	804
Taxi Cab Licenses	2,050	2,050	3,633	1,583
Towing Licenses	5,638	5,638	5,450	(188)
Traders Licenses	281,875	281,875	237,400	(44,475)
Total Licenses and Permits	3,530,204	3,530,204	2,746,769	(783,435)
<u>FINES AND FORFEITURES</u>				
Court Fines	25,625	25,625	16,220	(9,405)
Dog License Fines	7,175	7,175	9,274	2,099
Parking Fines	56,375	56,375	37,350	(19,025)
Parking Fines - County Lots	41,000	41,000	35,710	(5,290)
Total Fines and Forfeitures	130,175	130,175	98,554	(31,621)
<u>OTHER FINANCING SOURCES</u>				
Appropriated Fund Balance	20,340,225	20,340,225	7,606,429	(12,733,796)
Operating Transfers In				
Capital Projects	16,876,316	16,876,316	14,059,887	(2,816,429)
Pooled Interest	837,132	837,132	364,768	(472,364)
Total Operating Transfers In	17,713,448	17,713,448	14,424,655	(3,288,793)
Issuance of Bonds	-	22,812,194	21,738,036	(1,074,158)
Premium on Issuance of Bonds	-	-	8,106,323	8,106,323
Total Other Financing Sources	38,053,673	60,865,867	51,875,443	(8,990,424)
Total General Fund Revenues and Other Financing Sources	\$ 487,325,330	\$ 510,137,524	\$ 486,714,572	\$ (23,422,952)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Expenditures, Encumbrances and Other Financing Uses
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009

Exhibit A-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	EXPENDITURES	POSITIVE(NEGATIVE) APPROPRIATION
<u>COUNTY COUNCIL</u>				
Board of Appeals & Rezoning	\$ 189,207	\$ 189,207	\$ 137,391	\$ 51,816
County Council Office	1,260,175	1,260,175	1,122,327	137,848
Cultural Arts Board	104,099	104,099	96,770	7,329
Harford Cable Network	736,966	740,366	683,116	57,250
People's Counsel	73,058	69,658	45,397	24,261
Total County Council	2,363,505	2,363,505	2,085,001	278,504
<u>GENERAL GOVERNMENT</u>				
Office of the County Executive				
County Executive	1,237,151	1,237,151	1,068,689	168,462
Chief of Staff	248,568	248,568	230,500	18,068
Division of Agricultural	533,286	533,286	465,650	67,636
Office of Governmental and Community Relations				
Office of the Director	603,916	603,916	549,324	54,592
Director of Administration				
Administration	1,068,833	1,258,933	908,750	350,183
Budget & Management Research	812,371	782,371	718,600	63,771
Central Services	1,075,467	1,035,467	921,767	113,700
Computer Support	1,243,588	1,243,588	1,157,090	86,498
Facilities & Operations	5,373,669	5,369,569	4,806,003	563,566
Information System Administration	1,000,009	965,009	934,745	30,264
Management Information Systems	2,052,017	1,971,017	1,940,817	30,200
Risk Management	702,440	702,440	658,268	44,172
Department of Procurement				
Procurement Operations	942,791	942,791	909,568	33,223
Property Management	3,474,632	3,474,632	3,071,199	403,433
Department of the Treasury				
Bureau of Accounting	2,501,563	2,483,683	2,367,761	115,922
Bureau of Revenue Collections	954,681	962,681	800,532	162,149
Office of the Treasurer	703,246	703,126	652,262	50,864
Solid Waste Accounting	71,059	81,059	77,980	3,079
Department of Law	2,021,318	2,021,318	1,922,645	98,673
Department of Planning & Zoning				
Comprehensive Planning and				
Special Projects	1,630,533	1,630,533	1,498,681	131,852
Current Planning	1,916,123	1,820,594	1,793,997	26,597
Office of the Director	330,665	426,194	417,854	8,340
Department of Personnel				
Human Resources	979,917	979,917	927,720	52,197
Personnel Matters	1,228,135	1,228,135	1,009,134	219,001
Elections				
Election Expense	901,902	883,885	636,153	247,732
Supervisor of Elections	984,020	1,002,037	810,369	191,668
Economic Development				
Office of Economic Development	2,090,939	2,090,939	1,939,604	151,335
Benefits	9,275,315	9,275,315	9,233,393	41,922

continued

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Expenditures, Encumbrances and Other Financing Uses
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009
(continued)

Exhibit A-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	EXPENDITURES	POSITIVE(NEGATIVE) APPROPRIATION
<u>GENERAL GOVERNMENT, continued</u>				
Miscellaneous				
Appropriations to Towns	2,209,404	2,209,404	2,209,404	-
Contingency Reserve	100,000	100,000	-	100,000
Tourism & Marketing	184,171	184,171	168,963	15,208
Insurance	941,873	941,873	941,873	-
Maryland School for the Blind	75,000	75,000	36,720	38,280
Total General Government	49,468,602	49,468,602	45,786,015	3,682,587
<u>EDUCATION-PRIMARY THRU COMMUNITY COLLEGE</u>				
Board of Education	210,914,800	210,914,800	206,978,734	3,936,066
Harford Community College	16,778,743	16,778,743	15,939,806	838,937
Total Education-Primary thru Community College	227,693,543	227,693,543	222,918,540	4,775,003
<u>HARFORD CENTER</u>	582,143	582,143	582,143	-
<u>JUDICIAL</u>				
Circuit Court	1,337,322	1,321,269	1,257,093	64,176
Community Work Service	326,420	323,291	320,990	2,301
Family Court Services Division	548,212	543,212	519,395	23,817
Grand Jury	11,000	11,000	10,960	40
Jury Commissioner	187,116	188,614	184,367	4,247
Jury Services	182,300	192,610	186,744	5,866
Juvenile Master	209,884	222,258	192,762	29,496
Family Justice Center	255,849	255,849	248,194	7,655
State's Attorney	4,764,616	4,764,616	4,631,134	133,482
Total Judicial	7,822,719	7,822,719	7,551,639	271,080
<u>LIBRARIES</u>	16,667,988	16,667,988	16,135,917	532,071
<u>PARKS, RECREATION AND NATURAL RESOURCES</u>				
Department of Parks and Recreation				
Director	796,838	796,838	788,535	8,303
Parks and Facilities	6,629,703	6,579,009	5,974,133	604,876
Recreational Services	2,703,679	2,754,373	2,647,558	106,815
Environmental Affairs	784	784	-	784
Conservation of Natural Resources				
Soil Conservation	353,787	353,787	317,175	36,612
Extension Service	258,164	258,164	172,408	85,756
Total Parks, Recreation and Natural Resources	10,742,955	10,742,955	9,899,809	843,146
<u>PUBLIC SAFETY</u>				
Sheriff's Office				
Commissary Account	240,097	272,097	271,222	875
Correctional Services	19,136,808	19,250,966	19,160,536	90,430
Court Services	4,928,069	4,928,069	4,666,144	261,925
Administration	6,862,815	6,992,757	6,746,197	246,560
Patrol	24,162,155	23,865,255	23,049,442	815,813
Investigation	6,965,735	6,986,535	6,804,021	182,514

continued

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Expenditures, Encumbrances and Other Financing Uses
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009
(continued)

Exhibit A-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	EXPENDITURES	POSITIVE(NEGATIVE) APPROPRIATION
<u>PUBLIC SAFETY, continued</u>				
Department of Inspections, Licenses and Permits				
Animal Control	1,054,869	1,065,342	1,009,691	55,651
Building Services	1,155,202	1,155,311	1,148,732	6,579
Director of DILP	519,091	518,652	493,521	25,131
Electrical Services	621,001	621,001	610,351	10,650
Manufactured Homes/Abandoned Property	302,339	292,356	203,803	88,553
Plumbing Services	596,921	596,761	588,763	7,998
Emergency Operations				
911 Emergency Communications	5,646,622	5,721,722	5,403,182	318,540
Administration	1,293,994	1,263,063	1,125,169	137,894
Special Operations & Technical Services	3,093,881	3,047,681	2,627,506	420,175
Volunteer Fire Companies	9,067,456	9,067,456	8,952,856	114,600
HAZMAT Response Team	478,402	480,433	361,541	118,892
Total Public Safety	86,125,457	86,125,457	83,222,677	2,902,780
<u>PUBLIC WORKS</u>				
Department of Public Works				
Solid Waste Management	3,899,597	3,899,597	3,348,819	550,778
Closed Landfills - Post Closure Costs	179,550	179,550	101,669	77,881
Environmental Affairs	783,637	789,461	746,579	42,882
Recycling	2,231,634	2,225,810	1,913,805	312,005
Scarboro Remediation	87,500	87,500	59,374	28,126
Waste Energy	8,201,193	8,201,193	7,925,881	275,312
Water Resources Planning	1,260,447	1,260,447	1,126,574	133,873
Total Public Works	16,643,558	16,643,558	15,222,701	1,420,857
<u>SOCIAL SERVICES</u>				
Department of Community Services				
Director	684,610	684,610	627,249	57,361
Office of Drug Control	972,561	972,561	925,150	47,411
Emergency Assistance	196,424	196,424	195,792	632
Community Development	2,054,500	2,054,500	1,931,361	123,139
Office on Aging	1,322,437	1,322,437	852,620	469,817
Transportation	1,563,504	1,563,504	1,100,596	462,908
NMARC Activity	1,837,573	1,837,573	1,837,573	-
Housing Agency				
Housing Services	596,492	596,492	553,487	43,005
House Keys 4 Employees	200,000	200,000	85,000	115,000
Department of Health				
Addictions Services	560,934	560,934	560,000	934
Community Mental Health	125,824	125,824	125,824	-
Health Department	3,432,893	3,432,893	3,353,425	79,468
Total Social Services	13,547,752	13,547,752	12,148,077	1,399,675

continued

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Expenditures, Encumbrances and Other Financing Uses
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009
(continued)

Exhibit A-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	EXPENDITURES	POSITIVE(NEGATIVE) APPROPRIATION
<u>DEBT SERVICE</u>				
Debt Service - Principal	20,396,106	20,396,106	20,146,093	250,013
Debt Service - Interest	16,533,262	16,513,262	11,074,993	5,438,269
Debt Service - Administration Costs	749,950	769,950	554,917	215,033
Total Debt Service	37,679,318	37,679,318	31,776,003	5,903,315
<u>OTHER FINANCING USES</u>				
Operating Transfers Out				
Capital Projects	15,141,277	15,141,277	13,727,343	1,413,934
Grants	2,846,513	2,846,513	2,846,513	-
Total Other Financing Uses	17,987,790	17,987,790	16,573,856	1,413,934
Payments to Escrow Agent for Refunding	-	22,812,194	22,812,194	-
Total Expenditures and Other Financing Uses	\$ 487,325,330	\$ 510,137,524	\$ 486,714,572	\$ 23,422,952



BEL AIR HIGH SCHOOL

In August 2009, Bel Air High School moved into a new building. Bel Air High School is located, as it has been since the opening of the Bel Air Academy in 1815, in the County seat of Harford County. The new Bel Air High School has been built to serve 1,668 students at an estimated project cost of \$82.5 million. The project is currently in Phase 3 of construction, which includes demolition of the former high school, and rebuilding of the athletic fields, parking lots and bus entrance. Phase 3 will be completed by June, 2010.

Special Revenue Fund

HARFORD COUNTY, MARYLAND
Schedule Of Revenues, Expenditures, Encumbrances
And Changes In Fund Balances
Budget Basis (Non-GAAP) vs. Actual
Non Major Parks and Recreation Special Revenue Fund
For The Year Ended June 30, 2009

Exhibit B-1

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive(Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 6,173	\$ 6,173	\$ 7,556	\$ 1,383
Charges for Current Services	750,730	750,730	660,530	(90,200)
Miscellaneous	-	-	94	94
Total Revenues	<u>756,903</u>	<u>756,903</u>	<u>668,180</u>	<u>(88,723)</u>
EXPENDITURES				
Current:				
Parks, Recreation and Natural Resources	<u>756,903</u>	<u>756,903</u>	<u>653,272</u>	<u>103,631</u>
Total Expenditures	<u>756,903</u>	<u>756,903</u>	<u>653,272</u>	<u>103,631</u>
Net Change in Fund Balances	\$ <u>-</u>	\$ <u>-</u>	14,908	<u>(192,354)</u>
Fund Balance - Beginning			80,097	
Prior Year Encumbrances Cancelled			<u>375</u>	
Fund Balance - Ending			<u>\$ 95,380</u>	

Capital Projects Fund

HARFORD COUNTY, MARYLAND
General County Capital Projects Funds
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009

Exhibit C-1

		<u>TOTAL</u> <u>APPROPRIATIONS</u>	<u>TOTAL</u> <u>EXPENDITURES</u>	<u>UNEXPENDED</u> <u>APPROPRIATIONS</u>
GENERAL COUNTY PROJECTS				
*	Site Acquisition 2000	\$ 1,501,554	\$ 1,501,554	\$ -
	Watershed Restoration/Improvements	4,878,750	2,221,442	2,657,308
	Watershed/Stream Assessment	864,250	543,521	320,729
	Rolling Green Lake Improvements	125,000	125,000	-
*	Harford Cable Network Building	983,218	938,011	45,207
	Edgewood Pal Center	2,750,000	1,749,999	1,000,001
*	Topographic Mapping	1,600,000	1,600,000	-
*	Voting Equipment	418,500	193,500	225,000
	Washington Court Acquisition	6,527,819	4,182,389	2,345,430
	Steam Gauge Stations	609,000	432,849	176,151
	Edgewood Train Station	199,792	45,355	154,437
	ADA Renovations	400,000	186,366	213,634
*	Emergency Needs 2002	3,607,430	-	3,607,430
	Hosanna School	456,517	419,261	37,256
	Reforestation Proceeds	680,000	334,496	345,504
	Property Acquisition	10,000,000	5,022,104	4,977,896
*	Citizen Care Center	800,000	800,000	-
	Facilities Repair Program	7,167,560	6,189,106	978,454
	Asbestos/Lead Abatement	550,000	86,967	463,033
	Revenue & Billing Applications	692,885	545,675	147,210
	Telecommunication Replacement	3,725,000	3,716,974	8,026
*	Energy Performance County Facilities	2,265,590	2,265,590	-
	Fire Department Water Storage	275,000	50,000	225,000
*	Space Need Analysis	50,000	26,655	23,345
	Treasury Computer Enhancements	175,000	167,622	7,378
*	Courthouse Window Replacement	472,500	-	472,500
	Emergency Needs 2006	6,327,238	-	6,327,238
	Watershed/Restoration/Improvements	1,953,000	517,350	1,435,650
	Fuel Dispensing System	655,000	598,796	56,204
*	Hays Street Building	100,000	-	100,000
	MTBE Upgrades	300,000	200,000	100,000
	Multipurpose Storage	2,353,100	110,031	2,243,069
	New Wing for 45 S. Main Street	300,000	29,412	270,588
	Site Acquisition	20,757,761	13,745,731	7,012,030
	Wireless Networking	100,000	20,148	79,852
	Bynum Ridge Stream	355,000	113,675	241,325
	Laurel Valley Stream	740,000	610,365	129,635
	Plumtree Run at Tollgate	990,000	121,289	868,711
	Stormwater Enhancement	575,000	6,144	568,856
	Stream Valley Buffer	725,000	341,605	383,395
*	Gravity Sewer Extension	388,740	-	388,740
*	Havre de Grace HS Bleachers	200,000	200,000	-
	New Administration Building	20,085,000	2,104,680	17,980,320
	North Harford HS Concession Stand	100,000	-	100,000
	Voting Equipment	100,000	-	100,000
	Woodbridge Retrofit	510,000	195,277	314,723
*	Cal Ripken Senior Foundation	1,000,000	1,000,000	-
	Grande View Farms Lake Repairs	300,000	300,000	-
	Expansion of Auditoriums	1,600,000	75,315	1,524,685
	Harford County S. Res. Annex	7,999,200	598,462	7,400,738
	Streetlights for Bel Air	15,000	-	15,000
*	Bel Air Acres Retrofit	250,000	-	250,000

continued

HARFORD COUNTY, MARYLAND
General County Capital Projects Funds
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009

(continued)

Exhibit C-1

	<u>TOTAL APPROPRIATIONS</u>	<u>TOTAL EXPENDITURES</u>	<u>UNEXPENDED APPROPRIATIONS</u>
GENERAL COUNTY PROJECTS			
Moose Lodge Stream Restoration	50,000	-	50,000
Sunnyview Stream Restoration	410,000	188,816	221,184
Agricultural Resource Ctr & Horse Park	25,000	-	25,000
Courthouse Bldgng	100,000	15,271	84,729
Cultural Arts Center	25,000	-	25,000
Enterprise Resources System	25,000	(7,360)	32,360
Reforestation Proceeds	100,000	-	100,000
Perry Avenue Stream	300,000	-	300,000
Watershed Stream Assessment	550,000	140,052	409,948
Woodland Run Stream	50,000	1,706	48,294
Gordon Street	270,000	136,853	133,147
Computer Equipment Networks	7,011,784	6,246,924	764,860
Humane Society Renovation	1,630,000	142,219	1,487,781
Milestone Project	4,600,000	4,532,915	67,085
Maintenance/Repair of Dams	690,000	381,968	308,032
Bel Air Youth/Senior Center	4,989,161	4,438,912	550,249
	<hr/>	<hr/>	<hr/>
Total General County Projects	141,380,349	70,450,992	70,929,357
EDUCATION			
Fire Alarm/Emergency Communications	750,000	588,646	161,354
Furniture	875,000	718,653	156,347
Joppatowne Elementary	14,520,811	10,066,195	4,454,616
* Relocatable Classrooms	3,362,880	3,313,065	49,815
Deerfield Elementary	19,389,525	11,341,180	8,048,345
School Buses	6,472,197	6,295,993	176,204
Athletic Fields Repair/Renovations	207,000	180,685	26,315
Maintenance Replace Vehicles	3,275,758	2,000,758	1,275,000
New High School/Middle School	60,322,094	56,192,238	4,129,856
* Aberdeen HS Science & Math	993,992	893,992	100,000
* Full Day Kindergarten Classrooms	3,225,880	3,225,880	-
Technology Refresh Program	11,673,690	10,965,102	708,588
N. Harford MS Water System	261,114	230,926	30,188
Aberdeen HS North Building	665,000	338,431	326,569
Backflow Prevention	350,000	339,510	10,490
Music Refresh Program	375,000	325,000	50,000
Security Cameras	925,000	609,276	315,724
Air Conditioning Program	8,870,150	8,123,305	746,845
Integrated Business	193,000	18,986	174,014
New Elementary Capacity	15,980,819	1,898,721	14,082,098
Paving - New Parking	300,000	200,000	100,000
Paving - Overlay and Maintenance	350,000	200,000	150,000
SWM, Erosion, Sediment Control	150,000	150,000	-
Textbook Refresh - Math	4,610,000	2,152,931	2,457,069
Vocational/Technical Equipment	400,000	199,999	200,001
ADA Improvements	300,000	151,884	148,116
HVAC Major Repairs	2,032,768	779,481	1,253,287
Aberdeen High School	6,287,945	5,003,700	1,284,245
Edgewood High School	46,248,675	38,859,063	7,389,612
Harford Technical High School	5,000,000	4,704,605	295,395
John Archer School	1,070,000	19,259	1,050,741
Joppatowne HS Gym	4,160,050	4,083,726	76,324
Playground Equipment	3,715,000	86,588	3,628,412

HARFORD COUNTY, MARYLAND
General County Capital Projects Funds
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009
(continued)

Exhibit C-1

	<u>TOTAL APPROPRIATIONS</u>	<u>TOTAL EXPENDITURES</u>	<u>UNEXPENDED APPROPRIATIONS</u>
EDUCATION (continued)			
Relocatable Classrooms	376,000	376,000	-
Roofing Replacements	704,035	695,455	8,580
Youth's Benefit Elementary	1,700,600	853,371	847,229
Prospect Mill Elementary	1,968,158	1,953,357	14,801
* Forest Hill Elem Water Purification	70,000	70,000	-
North Harford Middle School Repairs	50,000	10,700	39,300
* Fallston Middle School	50,000	50,000	-
Homestead/Wakefield /Elementary	100,000	6,595	93,405
* Relocatable Classrooms	406,892	89,062	317,830
Roofing Replacements	1,634,850	1,024,626	610,224
Wm Paca/Old Post Elementary	100,000	-	100,000
Schucks Road Elementary	2,700,000	645,977	2,054,023
Fallston High WWTP Replacement	106,070	9,909	96,161
Jarrettsville Elementary HVAC	121,250	125	121,125
Relocatable Classrooms	188,000	188,000	-
Roof Replacements	525,182	379,397	145,785
Bel Air Elem Sch Site Improvements	450,000	-	450,000
Bleacher Replacement	200,000	-	200,000
Locker Replacement	100,000	-	100,000
Replace Riverside Heat	11,761,099	11,093,440	667,659
Environment Compliance	1,147,619	939,583	208,036
* Roofing Replacement '97	3,104,278	3,104,278	-
* Edgewood Elem. Modernization	5,338,940	5,208,940	130,000
N. Harford High Modernization	32,273,132	30,002,217	2,270,915
Technology	4,721,467	4,015,559	705,908
Bel Air High Modernization	70,850,779	64,847,817	6,002,962
* Church Creek Elementary Addition	3,420,172	3,320,172	100,000
* High School Technology	1,150,000	1,150,000	-
* Industrial Arts Tech Lab	725,000	425,000	300,000
Milestone Project	15,553,300	8,029,209	7,524,091
Total Education	388,910,171	312,746,567	76,163,604
FIRE/SAFETY			
* Mental Health Unit Renovations	314,000	156,676	157,324
UHF Radio System	1,850,000	1,849,998	2
Fire, EMS & Law Enforcement CAD	2,450,000	1,812,938	637,062
* Replacement Radios EOC	145,015	116,899	28,116
UHF Radio System	23,601,693	21,863,082	1,738,611
Facility Renovation	412,500	372,217	40,283
Work Release Unit Fac Program/Study	29,338,131	28,847,779	490,352
* Bel Air - New Substation	100,000	-	100,000
* Darlington Substation	500,000	500,000	-
* Willoughby Beach Rd Substation	750,000	750,000	-
Camera Recording & Monitoring	279,500	259,001	20,499
Computer Equipment/Network	1,454,242	1,449,440	4,802
* Aberdeen Substation Renovation	500,000	500,000	-
* Touch Screen Control	528,000	528,000	-
* Upgrade to Hazmat Building	8,660	8,660	-
Upgrade to Pole Barn for Hazmat	58,315	48,746	9,569
* Susquehanna Hose Company	500,000	500,000	-
In-Car Video	280,873	-	280,873
Alternate Call Taking & Dispatch Site	400,000	166,921	233,079

HARFORD COUNTY, MARYLAND
General County Capital Projects Funds
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009
(continued)

Exhibit C-1

	<u>TOTAL APPROPRIATIONS</u>	<u>TOTAL EXPENDITURES</u>	<u>UNEXPENDED APPROPRIATIONS</u>
FIRE/SAFETY (continued)			
Boiler Replacement	175,000	175,000	-
Detention Center Kitchen	187,120	186,629	491
Public Safety Infrastructure	556,000	473,340	82,660
Second Floor Emergency Ops Center	6,289,525	1,196,074	5,093,451
* Bel Air (Forest Hill Station)	500,000	500,000	-
VFC Facility Repairs	2,250,000	2,149,052	100,948
Susquehanna Hose Co. #3 Exp	60,000	-	60,000
Susquehanna Hose Co. #5 Exp	810,000	750,000	60,000
911 State Fee Fund	100,000	-	100,000
700 MHZ Wireless Radio System	250,000	4,845	245,155
Bel Air Substation Patterson Mill	285,400	160,400	125,000
* Norrisville Station	60,000	60,000	-
* SCBA Equipment Replacement	135,000	135,000	-
911 State Fee Fund	3,400,000	3,227,611	172,389
Total Fire/Safety	78,528,974	68,748,308	9,780,666
COMMUNITY COLLEGE			
* Havre de Grace Hall Renovations	1,300,205	1,300,205	-
Site, Stormwater & Parking Improvement	1,864,251	1,222,378	641,873
* Green Campus	575,000	-	575,000
Aberdeen Hall Renovation	7,012,381	6,262,382	749,999
Hays-Heighe House Renovation	1,199,900	313,242	886,658
New Program Development	54,900	54,900	-
Susquehanna Center Renovations	755,600	755,600	-
* Telecommunications System Replace	420,000	210,000	210,000
Campus Safety	250,000	150,000	100,000
Roof Replacements	910,282	303,494	606,788
West Campus Expansion	250,000	-	250,000
* New Classroom Building '95	1,597,279	1,597,279	-
Computer Based Infrastructure	204,000	202,933	1,067
* Joint High School/College Theatre	1,399,440	974,781	424,659
Milestone Project	4,660,622	4,332,947	327,675
Total Community College	22,453,860	17,680,141	4,773,719
LIBRARY			
Jarrettsville Library	5,884,000	5,817,465	66,535
* Norrisville Community Center Library	1,255,000	1,254,896	104
* Bel Air Library Humidity	146,198	133,372	12,826
Facility Renovations	110,000	59,552	50,448
Highland Carpet and Painting	6,000	1,021	4,979
Churchville Branch	5,334,500	188,375	5,146,125
Fallston Library Roof	134,400	105,727	28,673
Whiteford Library Expansion	4,238,200	3,254,561	983,639
Aberdeen HVAC Replacement	300,000	263,505	36,495
* Fallston Lighting	275,000	150,550	124,450
Havre de Grace Feasibility Study	52,000	45,140	6,860

continued

HARFORD COUNTY, MARYLAND
General County Capital Projects Funds
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009
(continued)

Exhibit C-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
LIBRARY (continued)			
Facility Renovations	150,000	-	150,000
Abingdon Library	8,750,000	8,748,097	1,903
Milestone Project	3,188,500	3,054,294	134,206
 Total Library	 29,823,798	 23,076,555	 6,747,243
 LANDFILL			
Environmental Studies	1,320,900	809,224	511,676
Air Pollution Control	13,150,000	11,656,279	1,493,721
Waste to Energy Repairs	1,300,000	896,247	403,753
HWDC Compost Facility Exp	153,000	115,119	37,881
HWDC Equipment Storage Bldg	110,000	528	109,472
Excavate/Repair Pad #1	50,000	19,294	30,706
Northeast Stockpile Area Sediment	50,000	18,272	31,728
Tollgate Landfill Gas System	684,679	960	683,719
Tollgate Yard Trim Recycling	450,000	82,234	367,766
HWDC Facilities Study	100,000	44,353	55,647
HWDC Compost Area Facility	90,000	-	90,000
* HWDC Compost Barn Electric	25,000	-	25,000
HWDC Cover Material	400,000	185,545	214,455
HWDC Recycling Facility	60,000	-	60,000
Abingdon Landfill Closure	1,484,410	743,605	740,805
HWDC Future Expansion	13,289,340	2,324,089	10,965,251
* Madonna Landfill - Remedial Action	300,000	48,823	251,177
 Total Landfill	 33,017,329	 16,944,572	 16,072,757
 PARKS AND RECREATION			
* Oakington Farm	780,000	101,294	678,706
* Eden Mill Park Rehabilitation	480,000	248,846	231,154
Smith Property	4,325,000	3,142,571	1,182,429
* Waterway Improvement I	380,000	60,156	319,844
* Waterway Improvement II	752,500	424,011	328,489
* Backstop Renovations	310,000	224,515	85,485
* Fallston Maintenance Shop	1,550,000	1,500,179	49,821
Parking Lot Paving	1,390,000	1,341,737	48,263
Playground Equipment	2,470,000	1,920,765	549,235
* Bulkhead Renovations	1,072,500	990,993	81,507
* Bush River Boat Ramp	60,000	55,622	4,378
Bush River Dredging & DMP Site	3,030,000	1,102,554	1,927,446
* Edgewood Park	60,000	46,352	13,648
Havre de Grace Y/Sr Center	9,143,000	8,292,472	850,528
Jarrettsville Development	1,320,000	1,277,670	42,330
Prospect Mill Park	1,430,000	1,157,444	272,556
Bynum Pond Stabilization	350,000	238,280	111,720
Churchville Complex Dev	5,356,830	585,882	4,770,948
Facility Renovations	1,110,000	570,472	539,528
Friends Pond Rehabilitation	500,000	113,769	386,231
Heavenly Water Park	1,520,000	876,411	643,589

continued

HARFORD COUNTY, MARYLAND
General County Capital Projects Funds
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009
(continued)

Exhibit C-1

	<u>TOTAL APPROPRIATIONS</u>	<u>TOTAL EXPENDITURES</u>	<u>UNEXPENDED APPROPRIATIONS</u>
PARKS AND RECREATION (continued)			
Park Improvements	550,000	176,810	373,190
Park Land Acquisition	10,295,000	9,358,640	936,360
* Trails and Linear Parks	200,000	24,411	175,589
* Edgewood Recreation	2,850,000	2,813,066	36,934
Fox Meadows Improvement	475,000	447,567	27,433
* Havre de Grace Yacht Basin Dredge	680,000	490,306	189,694
* Leased Site Improvements	260,000	156,786	103,214
Shucks Road Regional	2,475,000	56,835	2,418,165
* Tennis/Multipurpose Courts	260,000	228,083	31,917
* Churchville Center Renovations	135,000	-	135,000
Edgewood Recreation	1,005,000	94,236	910,764
Fallston Youth/Sr Center	9,925,000	7,145,624	2,779,376
* Liriodendron Improvements	245,000	219,786	25,214
Magnolia Complex Development	1,975,000	1,305,048	669,952
* Robert Copenhaver Park	150,000	63,432	86,568
Swan Harbor Farm Improvements	590,000	64,477	525,523
Tennis/Multipurpose Courts	940,000	733,391	206,609
Tydings Island Renovation	2,795,000	142,207	2,652,793
Willoughby Beach Launching Ramp	197,500	106,858	90,642
Havre de Grace Field	1,510,000	71,097	1,438,903
Athletic Field Improvements	5,150,000	2,691,799	2,458,201
* Benson Fields Development	100,000	42,421	57,579
Equestrian Center Improvements	100,000	47,222	52,778
Indoor Recreation Facility	200,000	121,403	78,597
* Jarrettsville Recreation Center	400,000	2	399,998
Joppatowne Area Dredging	825,000	49,926	775,074
Norrisville Park	200,000	43,148	156,852
Swan Creek Channel Dredging	470,000	31,023	438,977
Tudor Hall Rehabilitation	400,000	90,253	309,747
Vale Road Elementary	1,600,000	141,753	1,458,247
Willoughby Beach Park Development	350,000	7,110	342,890
Bleacher Renovations	60,000	22,938	37,062
Darlington Park Development	125,000	-	125,000
David Craig Park	50,000	-	50,000
Enlarged Gym & Activity Rooms	1,200,000	-	1,200,000
Mariner Point Park Renov	37,000	-	37,000
Nuttall Avnue Park	250,000	-	250,000
Swan Harbor Farm Improvements	183,000	25,162	157,838
* Bike Trails/Linear Park Development	3,530,000	2,175,871	1,354,129
Facility Renovations	2,419,500	1,786,557	632,943
* ADA Compliance	230,000	179,998	50,002
Norrisville Community Building	1,160,000	1,079,971	80,029
Regional Sports Complex	4,246,000	3,411,179	834,821
Debris Derelict Boats	50,000	6,725	43,275
* Park Improvements	830,825	830,824	1
* Waterway Improvement I	1,375,000	309,920	1,065,080
Total Parks and Recreation	100,443,655	61,065,860	39,377,795

continued

HARFORD COUNTY, MARYLAND
General County Capital Projects Funds
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009
(continued)

Exhibit C-1

	<u>TOTAL APPROPRIATIONS</u>	<u>TOTAL EXPENDITURES</u>	<u>UNEXPENDED APPROPRIATIONS</u>
HIGHWAYS - ROADS			
Culvert Rehabilitation	2,393,773	2,280,565	113,208
* Whiteford Shop	330,000	321,953	8,047
Cape Knoll Road Acceptance	150,000	108,273	41,727
Tollgate Road - Vale Road Corridor	625,000	184,678	440,322
* Constant Woods Road Acceptance	50,350	44,964	5,386
Glen Elyn Culvert & Ponds Repair	392,500	300,729	91,771
Trimble Road Corridor Study	25,000	1,239	23,761
New Roads & Stormdrains 2002	1,350,000	562,879	787,121
* Second Watergate North	1,381,000	120,677	1,260,323
Tollgate Road/W Ring Factory	3,168,439	1,209,791	1,958,648
* Resurfacing Roadways	8,274,992	8,274,991	1
Facilities Repair Program	1,032,000	583,583	448,417
GPS Tracking System	200,000	153,683	46,317
Primrose Place	146,000	132,605	13,395
MacPhail Rd/Brierhill-Wheel Road	375,000	34,081	340,919
Prospect Mill Rd/Thomas Run Road	100,000	357	99,643
Robinhood Rd/US 40 to Tital Terrace	2,554,045	733,009	1,821,036
Hickory II Improvements	1,065,000	773,503	291,497
Culvert Rehabilitation	2,900,000	2,750,464	149,536
Intersection Improvements	1,650,000	1,051,953	598,047
Perryman Access-MD 715 Conn	1,535,000	89,835	1,445,165
Perryman Access-Mitchell Lane	650,000	524,152	125,848
Conversion of Tar and Chip	2,125,000	2,051,913	73,087
Tar and Chip Reclamation	1,750,000	834,802	915,198
Village of Scott's Fancy	750,000	715,128	34,872
Cedar Lane	1,260,000	764,586	495,414
Shucks Road Improvements	400,000	47,927	352,073
Vale Road	1,000,000	249,954	750,046
* Resurfacing Roadways	4,500,000	4,500,000	-
Drainage Improvements	850,000	770,047	79,953
Edgewood Train Station	1,710,208	39,201	1,671,007
Fuel Dispensing System	200,000	150,000	50,000
MTBE Upgrade	200,000	150,000	50,000
New Roads & Storm Drains	1,000,000	202,444	797,556
* Salt Dome	250,000	171,094	78,906
Stormdrain Rehabilitation	500,000	335,899	164,101
Traffic Signals	300,000	36,558	263,442
Singer Road Improvements	100,000	24,480	75,520
Washington Court Access Road	2,541,000	-	2,541,000
* Resurfacing Roadways	14,650,000	14,650,000	-
Equipment Sheds	180,000	852	179,148
Security Gates for Hwy Shops	175,000	17,952	157,048
Commerce Road - Private	900,000	569,329	330,671
Road Reconstruction	4,325,000	2,632,600	1,692,400
Resurfacing Roadways	6,291,975	4,662,782	1,629,193
Highway Maintenance Facility	300,000	300,000	-
Red Pump-Rt 24-Vale	3,995,500	3,527,340	468,160
Intersection Improvements '95	2,200,000	2,200,000	-
Traffic Calming	930,000	848,813	81,187
* Traffic Signals '95	220,000	220,000	-
Guardrails	1,350,000	1,345,052	4,948
Sidewalks	1,375,000	848,296	526,704

HARFORD COUNTY, MARYLAND
General County Capital Projects Funds
Schedule of Appropriations, Expenditures and Encumbrances
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2009
(continued)

Exhibit C-1

	<u>TOTAL APPROPRIATIONS</u>	<u>TOTAL EXPENDITURES</u>	<u>UNEXPENDED APPROPRIATIONS</u>
HIGHWAYS - ROADS (continued)			
Moores Mill Road	3,165,000	1,413,299	1,751,701
Perryman Access Study	375,000	275,000	100,000
Computer Equipment/Networks	1,399,022	1,054,896	344,126
Traffic Signals '98	1,040,000	518,479	521,521
Carrs Mill Road/Rte 152 - Grafton	1,195,000	1,166,951	28,049
County Acceptance of Private Roads	610,000	73,386	536,614
Wheel Road/Laurel Bush - Fairway	1,200,000	939,157	260,843
Abingdon Hwy/W&S Main Shop	3,300,000	3,295,916	4,084
Milestone Project	325,000	315,719	9,281
New Roads & Storm Drains	1,790,000	817,847	972,153
* Athens Court	65,825	37,787	28,038
	<hr/>	<hr/>	<hr/>
Total Roads	101,141,629	73,013,450	28,128,179
HIGHWAYS - BRIDGES			
* Bridge Rehabilitation	1,670,000	1,670,000	-
Greene Road Bridge #79	565,000	498,010	66,990
Ryan Road Bridge #61	1,330,000	1,319,016	10,984
Harford Creamery Rd Bridge	680,000	5,355	674,645
N. Avenue/Henderson Rd Bridge	465,000	10,080	454,920
St. Clair Road Bridge	1,095,000	249,288	845,712
* Thomas Run Road Bridge	1,350,000	1,211,133	138,867
Watervale Road Bridge	530,000	207,151	322,849
Bridge Inspection Program	780,000	305,341	474,659
Bridge Rehabilitation	2,200,000	1,907,678	292,322
* Jerusalem Mill Ped Crossing Bridge	360,000	323,399	36,601
Ruffs Mill Road Bridge #190	1,512,000	214,372	1,297,628
Road and Bridge Scour	600,000	295,413	304,587
Macton Road Bridge	495,000	577	494,423
Snake Lane Bridge	175,000	114,438	60,562
Telegraph Road Bridge	300,000	300,000	-
Carrs Mill Road Bridge	200,000	5,230	194,770
Macton Road Bridge #144	250,000	54,279	195,721
Glen Cove Road Bridge	120,000	1,959	118,041
Robinson Mill Road Bridge	120,000	2,696	117,304
Southampton Road Bridge #47	5,590,000	3,914,764	1,675,236
* Bridge Inspection Program	1,520,000	1,519,999	1
Bridge Scour Repairs	1,675,000	1,316,579	358,421
Bridge Painting	1,400,000	1,239,344	160,656
Structural Evaluation	545,000	275,562	269,438
Moores Mill Road Bridge #48	3,040,000	2,885,440	154,560
	<hr/>	<hr/>	<hr/>
Total Bridges	28,567,000	19,847,103	8,719,897
	<hr/>	<hr/>	<hr/>
Total Highways	129,708,629	92,860,553	36,848,076
	<hr/>	<hr/>	<hr/>
Total All Projects	924,266,765	663,573,548	260,693,217
	<hr/>	<hr/>	<hr/>
*Less Closed Projects	(98,132,355)	(83,053,711)	(15,078,644)
	<hr/>	<hr/>	<hr/>
Total Capital Projects Fund	\$ 826,134,410	\$ 580,519,837	\$ 245,614,573
	<hr/>	<hr/>	<hr/>



ABINGDON WATER TREATMENT PLANT EXPANSION

The County's largest water treatment is currently under construction with its first expansion. The \$72,000,000 project will increase the water treatment plant from its current capacity of 10 million gallons a day to 20 million gallons a day. The project will include but not be limited to new raw water transmission main, parallel sewer along Bynum Run Interceptor, raw water screening, pretreatment with rapid mix and flocculation, clarifying using plate settlers, filtration, backwash and wash water-recycle, a new 2.5 million gallon clear well and upgraded finished water pumping. The contract will also include a tunnel under I-95 to contain a raw water line from the 108" Susquehanna Aqueduct. It is estimated that the project will take 33 months to complete. The project started construction in January of 2009 and will be complete in 2011.

Enterprise Fund

The Water and Sewer Capital Projects Fund was established to account for the acquisition, renovation and construction of capital assets used in the production, distribution and maintenance of the water and sewer systems of the County. This fund represents the construction in process recorded in the Water & Sewer Fund.

HARFORD COUNTY, MARYLAND
Water and Sewer Fund
Schedule of Capital Projects Appropriations and Expenditures
For The Year Ended June 30, 2009

Exhibit D-1

	<u>TOTAL</u> <u>APPROPRIATIONS</u>	<u>TOTAL</u> <u>EXPENDITURES</u>	<u>UNEXPENDED</u> <u>APPROPRIATIONS</u>
COUNTY SEWER PROJECTS			
* Joppa Area Sewer	\$ 100,000	\$ 100,000	\$ -
Church Creek Pump Station Replacement	10,074,766	703,350	9,371,416
* Church Creek Pump Station Replacement	25,234	25,234	-
Harford Estates PS Abandonment	5,032,100	621,201	4,410,899
Lower Bynum Run	9,599,388	495,680	9,103,708
* Lower Bynum Run	40,612	40,612	-
Oaklyn Manor/Mandeville Rd Sewer	1,878,648	1,572,121	306,527
* Oaklyn Manor/Mandeville Rd Sewer	21,852	21,852	-
Plumtree Collector Parallel Phase II	100,000	55,964	44,036
Foster Branch PS & Force Main	5,000,000	4,879,669	120,331
* Riverside PS Fm Replacement	1,771,847	1,112,784	659,063
* Riverside PS Fm Replacement	18,153	18,153	-
* Plumtree Replacement Sewer	247,600	217,400	30,200
* Plumtree Replacement Sewer	2,400	2,400	-
Joppatowne Pump Station No.47	4,048,750	194,779	3,853,971
* Joppatowne Pump Station No.47	1,250	1,250	-
* Sewer Petition 05	200,000	360	199,640
* Foxboro System Upgrade	120,076	120,076	-
* Methane Sphere Painting	90,000	90,000	-
Oaklyn Manor Phase 2	2,950,000	80,294	2,869,706
* Utility Protection/Restoration	500,000	488,845	11,155
* Stans Rd & Dugan Dr Sewer Petition	630,000	466,632	163,368
Pump Station Improvements	25,731	-	25,731
* Pump Station Improvements	99,269	99,269	-
ENR Refinement At Sod Run	6,250,000	31,580	6,218,420
Infiltration/Inflow	250,000	201,778	48,222
Sod Run Generator	150,000	-	150,000
Bush Creek Pump St 4th Pump	7,600,000	723,967	6,876,033
Capacity Manage, Operation & Maint-Cmom	75,529	-	75,529
* Capacity Manage, Operation & Maint-Cmom	74,471	74,471	-
Constant Friendship Replace Sewer	200,000	78,681	121,319
Frogtown Relief Sewer Flow	75,000	-	75,000
Haverhill Pump Station Replace	1,025,000	122,871	902,129
Riviera Drive Pump Station Replace	750,000	134,938	615,062
Utility Protection/Restoration	500,000	76,001	423,999
Winters Run Pump Station Outfall	1,760,000	51,414	1,708,586
Infiltration & Inflow	2,800,000	476,493	2,323,507
Bel Air Infiltration & Inflow	500,000	-	500,000

continued

HARFORD COUNTY, MARYLAND
Water and Sewer Fund
Schedule of Capital Projects Appropriations and Expenditures
For The Year Ended June 30, 2009

(continued)

Exhibit D-1

	<u>TOTAL APPROPRIATIONS</u>	<u>TOTAL EXPENDITURES</u>	<u>UNEXPENDED APPROPRIATIONS</u>
COUNTY SEWER PROJECTS (continued)			
Bynum Run Parallel Phase 6 & 7	300,000	-	300,000
ENR At Joppatowne Wtp	1,000,000	-	1,000,000
Pine Road Forcemain Replacement	448,298	433,763	14,535
* Bynum Run Parallel	66,648	66,648	-
* Bynum Run Parallel	6,000	6,000	-
* Bynum Run Parallel	11,347,352	10,388,309	959,043
	<hr/>	<hr/>	<hr/>
Total Sewer Projects	77,755,974	24,274,839	53,481,135
	<hr/>	<hr/>	<hr/>
COUNTY WATER PROJECTS			
* Floyd Utility Repair	304,256	279,372	24,884
Computer Equipment/Network	972,278	608,249	364,029
* Computer Equipment/Network	60,695	60,695	-
Milestone Project/Water & Sewer	500,000	476,003	23,997
* Revenue & Billing Applications	75,000	75,000	-
County Facilities & Sys Security	50,000	-	50,000
* Baltimore City Connection Charge	1,250,000	3,753	1,246,247
* Water Zone Improvements	100,000	81,706	18,294
* Aberdeen Interconnection Improvements	205,000	187,642	17,358
HdG Wtp Solids Management	9,800,000	5,946,280	3,853,720
Water Petition	56,836	-	56,836
Abingdon Wtp Generator	600,000	-	600,000
Backflow Prevention Upgrades	193,867	-	193,867
* Backflow Prevention Upgrades	6,133	6,133	-
Inform Asset Management Study-Water	233,239	-	233,239
* Inform Asset Management Study-Water	166,761	166,761	-
Water Service Replacement Fy05	2,500,000	2,184,943	315,057
* Water System Control Modernization	200,000	126,592	73,408
Water System Security Upgrades	550,000	128	549,872
Water Service Replacement	2,000,000	23,325	1,976,675
* Water Zone Improvements	100,000	100,000	-
Abingdon WTP Expansion	81,385,000	15,598,774	65,786,226
* Abingdon WTP Expansion	150,000	150,000	-
Chlorine Replacement Program WTP	720,000	243,797	476,203
Construction Unanticipated Water	200,000	121,343	78,657
Water Zone Improvements	350,000	72,472	277,528

continued

HARFORD COUNTY, MARYLAND
Water and Sewer Fund
Schedule of Capital Projects Appropriations and Expenditures
For The Year Ended June 30, 2009
(continued)

Exhibit D-1

COUNTY WATER PROJECTS (continued)	<u>TOTAL APPROPRIATIONS</u>	<u>TOTAL EXPENDITURES</u>	<u>UNEXPENDED APPROPRIATIONS</u>
* Tank Painting	200,000	200,000	-
First Zone Water Model	400,000	-	400,000
Washington Court Water Main	601,276	-	601,276
* Tank Painting	300,000	300,000	-
Abingdon Rd Water Main Parallel	8,300,000	156,765	8,143,235
Glenn Heights Water Petition	2,200,000	-	2,200,000
Route 24 Water Transmission	160,000	70,435	89,565
Construction Unanticipated Water	100,000	-	100,000
Tank Painting 2009	42,265	-	42,265
* Tank Painting 2009	282,735	282,735	-
Rt. 1 Hickory Bypass Transmission	190,000	30,584	159,416
Tollgate Road Water Main Parallel	1,300,000	7,003	1,292,997
	<u>116,805,341</u>	<u>27,560,490</u>	<u>89,244,851</u>
Total Water Projects	116,805,341	27,560,490	89,244,851
Total Water and Sewer Projects	194,561,315	51,835,329	142,725,986
*Less Closed and Capitalized Projects	<u>(18,763,344)</u>	<u>(15,360,684)</u>	<u>(3,402,660)</u>
Total Open Water and Sewer Projects	\$ <u>175,797,971</u>	\$ <u>36,474,645</u>	\$ <u>139,323,326</u>

Internal Service Funds

Self-Insurance Fund

The Self-Insurance Fund was established in 1982 to provide for Workers' Compensation, General and Automobile liability claims. The program is administered by a risk manager as established by the Harford County Code.

Fleet Management Fund

The Fleet Management Fund was established in July 2008 to reduce unnecessary repairs and maintenance on County vehicles and centralize the purchase and management of the County fleet.

HARFORD COUNTY, MARYLAND
Internal Service Funds
Combining Statement of Net Assets
June 30, 2009

Exhibit E-1

	Self- Insurance	Fleet Management	Total
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 14,227,257	\$ 713,756	\$ 14,941,013
Accounts Receivable (Net)	3,608	-	3,608
Deposit with Trustee	-	1,958,080	1,958,080
Total Current Assets	<u>14,230,865</u>	<u>2,671,836</u>	<u>16,902,701</u>
Noncurrent Assets:			
Unamortized Lease Costs	-	38,934	38,934
Capital Assets, Net of Depreciation			
Property, Plant & Equipment	-	4,587,887	4,587,887
Total Capital Assets	-	4,587,887	4,587,887
Total Noncurrent Assets	-	4,626,821	4,626,821
Total Assets	<u>\$ 14,230,865</u>	<u>\$ 7,298,657</u>	<u>\$ 21,529,522</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 101,989	\$ 32,379	\$ 134,368
Accrued Expenses	-	42,191	42,191
Leases Payable-Current	-	1,314,656	1,314,656
Estimated Current Liability for Claims in Process	1,544,034	-	1,544,034
Total Current Liabilities	<u>1,646,023</u>	<u>1,389,226</u>	<u>3,035,249</u>
Noncurrent Liabilities:			
Leases Payable	-	5,685,344	5,685,344
Estimated Liability for Claims in Process	3,819,265	-	3,819,265
Total Noncurrent Liabilities	<u>3,819,265</u>	<u>5,685,344</u>	<u>9,504,609</u>
Total Liabilities	<u>5,465,288</u>	<u>7,074,570</u>	<u>12,539,858</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	-	(454,033)	(454,033)
Restricted for Worker Compensation Claims	750,000	-	750,000
Unrestricted	8,015,577	678,120	8,693,697
Total Net Assets	<u>8,765,577</u>	<u>224,087</u>	<u>8,989,664</u>
Total Liabilities and Net Assets	<u>\$ 14,230,865</u>	<u>\$ 7,298,657</u>	<u>\$ 21,529,522</u>

HARFORD COUNTY, MARYLAND
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2009

Exhibit E-2

	Self - Insurance	Fleet Management	Total
Operating Revenues:			
Charges for Services	\$ 6,077,060	\$ 759,588	\$ 6,836,648
Miscellaneous	335,622	-	335,622
Total Operating Revenues	6,412,682	759,588	7,172,270
Operating Expenses:			
General and Administrative Expenses	-	21,876	21,876
Insurance Claims and Expenses	4,675,520	-	4,675,520
Depreciation	-	451,971	451,971
Total Operating Expenses	4,675,520	473,847	5,149,367
Operating Income (Loss)	1,737,162	285,741	2,022,903
Non-operating Revenues (Expenses):			
Interest Income	216,090	8,715	224,805
Interest Expense	-	(68,320)	(68,320)
Other Income (Expense)	-	(2,049)	(2,049)
Total Non-operating Revenue (Expenses)	216,090	(61,654)	154,436
Change in Net Assets	1,953,252	224,087	2,177,339
Total Net Assets--Beginning	6,812,325	-	6,812,325
Total Net Assets--Ending	\$ 8,765,577	\$ 224,087	\$ 8,989,664

HARFORD COUNTY, MARYLAND
Combining Statement Of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2009

Exhibit E-3

	Self- Insurance	Fleet Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 6,077,060	\$ 759,588	\$ 6,836,648
Receipts from Others for Claims	332,014	-	332,014
Payments to Suppliers for Goods and Services	(397,699)	(21,876)	(419,575)
Payments for Claims	(3,871,083)	-	(3,871,083)
Net Cash (Used in) Provided by Operating Activities	<u>2,140,292</u>	<u>737,712</u>	<u>2,878,004</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	-	(5,034,622)	(5,034,622)
Proceeds from Lease Sale	-	7,000,000	7,000,000
Deposit with Trustee	-	(1,958,080)	(1,958,080)
Lease Service Costs	-	(13,840)	(13,840)
Interest Paid on Leases	-	(26,129)	(26,129)
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>(32,671)</u>	<u>(32,671)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	216,090	8,715	224,805
Net Cash (Used in) Provided by Investing Activities	<u>216,090</u>	<u>8,715</u>	<u>224,805</u>
Net Increase in Cash and Cash Equivalents	<u>2,356,382</u>	<u>713,756</u>	<u>3,070,138</u>
Cash and Cash Equivalents, July 1	<u>11,870,875</u>	<u>-</u>	<u>11,870,875</u>
Cash and Cash Equivalents, June 30	\$ <u>14,227,257</u>	\$ <u>713,756</u>	\$ <u>14,941,013</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES			
Operating (Loss) Income	1,737,162	285,741	2,022,903
Adjustments to Reconcile Operating (Loss) Income to Net Cash (Used in) Provided by Operating Activities:			
Depreciation	-	451,971	451,971
(Increase) Decrease in Accounts Receivable	(3,608)	-	(3,608)
Increase (Decrease) in Accounts Payable	34,159	-	34,159
Increase (Decrease) Estimated Payables for Future Claims	372,579	-	372,579
Net Cash (Used in) Provided by Operating Activities	<u>\$ 2,140,292</u>	<u>\$ 737,712</u>	<u>\$ 2,878,004</u>

FIDUCIARY FUNDS

Pension Trust Funds

Sheriff's Office Pension System – This fund accounts for the pension system of certain law enforcement and correctional employees.

Firemen's Pension Trust - This fund accounts for the pension system for the volunteer fire personnel serving the various independent volunteer fire companies in the County.

Private Purpose Trust Funds

Revolving Loan Fund - This fund was established in February 1998. This account, joined with funding from several local lending institutions, provides loans to credit-worthy businesses unable to obtain financing through traditional sources due to limited equity, collateral or marginal cash flow and serves as an alternative incentive offered by the County to attract, expand or retain a small business by extending below market rates and favorable terms.

BVL Cooperating Parties Group - This fund was established in September 1996 to account for revenues collected from entities independent of the County, which the EPA has named as potentially responsible for the Bush Valley superfund site. These funds are for the purpose of undertaking the design and construction of the remedial systems deemed necessary at the Bush Valley Landfill Site.

Bar Library Trust Fund - This fund was established in 1999 to account for all expenditures associated with the operations of the Bar Library of the Circuit Court of Harford County. Fines and appearance fees collected from local attorneys provide the source of revenues.

Jeffrey Chenoweth Scholarship Trust Fund - This fund accounts for principal amounts received and related interest income. This year the principal and related interest was donated and the trust fund was closed.

Agency Funds

Pass-Through Grants - This fund accounts for financial assistance received from other governments and transferred to another government, individual, not-for-profit or other organization. Harford County Government serves as an agent with little or no discretion in determining how the assistance will be used.

Harford County Public Entities Healthcare Consortium - This fund was established to account for a rate stabilization reserve fund created for the Harford County Public Entities Healthcare Consortium. The consortium was formed for the purpose of pooling resources to purchase health insurance thereby reducing administrative expenses. Harford County Government serves as an agent with little or no discretion in determining how the funding will be directed.

HARFORD COUNTY, MARYLAND
Combining Statement of Fiduciary Net Assets
Pension Trust Funds
June 30, 2009

Exhibit F-1

	Sheriff's Office Pension System	Firemen's Pension Trust	Total
ASSETS			
Equity in Pooled Cash and Investments	\$ 65,280	\$ 523,125	\$ 588,405
Investments, at Fair Value			
Cash Equivalents	425,620	115,778	541,398
Fixed Income Fund	8,838,239	5,450,011	14,288,250
Equities & Equivalents	16,806,165	5,875,796	22,681,961
Total Investments	<u>26,070,024</u>	<u>11,441,585</u>	<u>37,511,609</u>
Total Assets	<u>26,135,304</u>	<u>11,964,710</u>	<u>38,100,014</u>
LIABILITIES			
Accounts Payable	24,627	12,542	37,169
Total Liabilities	<u>24,627</u>	<u>12,542</u>	<u>37,169</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
(Schedules of funding progress and employer contributions are presented in the "Required Supplementary Information", (Schedule 1)	\$ <u>26,110,677</u>	\$ <u>11,952,168</u>	\$ <u>38,062,845</u>

HARFORD COUNTY, MARYLAND
Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended June 30, 2009

Exhibit F-2

	Sheriff's Office Pension System	Firemen's Pension Trust	Total
ADDITIONS			
Contributions			
Employee Contributions	\$ 472,619	\$ -	\$ 472,619
Employer Contributions	2,745,971	-	2,745,971
Plan Sponsor Contributions	-	2,387,771	2,387,771
Total Contributions	<u>3,218,590</u>	<u>2,387,771</u>	<u>5,606,361</u>
Investment Earnings			
Net Depreciation in Fair Value of Investments	(3,846,251)	(1,455,082)	(5,301,333)
Interest and Dividends	1,015,387	431,724	1,447,111
Total Investment Earnings	<u>(2,830,864)</u>	<u>(1,023,358)</u>	<u>(3,854,222)</u>
Less Investment Expense	<u>(158,449)</u>	<u>(86,452)</u>	<u>(244,901)</u>
Net Investment Income	<u>(2,989,313)</u>	<u>(1,109,810)</u>	<u>(4,099,123)</u>
Total Additions	<u>229,277</u>	<u>1,277,961</u>	<u>1,507,238</u>
DEDUCTIONS			
Administrative Expenses	71,482	13,750	85,232
Benefits	1,959,884	1,162,954	3,122,838
Total Deductions	<u>2,031,366</u>	<u>1,176,704</u>	<u>3,208,070</u>
Change in Net Assets	<u>(1,802,089)</u>	<u>101,257</u>	<u>(1,700,832)</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Net Assets--Beginning of the Year	27,912,766	11,850,911	39,763,677
Net Assets--End of the Year	<u>\$ 26,110,677</u>	<u>\$ 11,952,168</u>	<u>\$ 38,062,845</u>

HARFORD COUNTY, MARYLAND
Combining Statement of Fiduciary Net Assets
Private Purpose Trust Funds
June 30, 2009

Exhibit F-3

	Revolving Loan	BVL Cooperating Parties Group	Bar Library	Total
ASSETS				
Equity in Pooled Cash and Investments	\$ 55,433	\$ 1,205,151	\$ 413,757	\$ 1,674,341
Accounts Receivable	19,619	-	9,195	28,814
Investments	-	1,156,387	-	1,156,387
Total Assets	75,052	2,361,538	422,952	2,859,542
LIABILITIES				
Accounts Payable	-	44,877	13,382	58,259
Deferred Revenue	-	1,156,387	-	1,156,387
Total Liabilities	-	1,201,264	13,382	1,214,646
NET ASSETS				
Held in Trust	\$ 75,052	\$ 1,160,274	\$ 409,570	\$ 1,644,896



HEAVENLY WATERS WOODSHOP AND RESTROOM

The new Harford County Parks & Recreation Woodshop was dedicated in April 2009 and has been open for use since that time. Construction of the building, including new equipment for the woodshop, totaled \$841,000. The woodshop program currently has 108 members and the facility is open until 8pm most evenings. The building also includes public restrooms for both users of the Ma & Pa trail as well as groups using the Equestrian Center. The restrooms include shower facilities which are available for use to groups staying several days at the Equestrian Center

HARFORD COUNTY, MARYLAND
Combining Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
For the Year Ended June 30, 2009

Exhibit F-4

	Revolving Loan	BVL Cooperating Parties Group
ADDITIONS:		
Contributions and Donations	\$ -	\$ 104,000
Interest and Dividends	698	29,069
Total Additions	698	133,069
DEDUCTIONS:		
Contractual Services	-	77,009
Donations	-	-
Total Deductions	-	77,009
Change in Net Assets	698	56,060
NET ASSETS:		
Net Assets-Beginning of Year	74,354	1,104,214
Net Assets-End of Year	\$ 75,052	\$ 1,160,274

continued

HARFORD COUNTY, MARYLAND
Combining Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
For the Year Ended June 30, 2009
(continued)

Exhibit F-4

Bar Library	Jeffrey Chenowith Scholarship	Total
\$ 58,476	\$ 1,848	\$ 164,324
7,763	414	37,944
66,239	2,262	202,268
114,202	-	191,211
-	27,000	27,000
114,202	27,000	218,211
(47,963)	(24,738)	(15,943)
457,533	24,738	1,660,839
\$ 409,570	\$ -	\$ 1,644,896



ABINGDON FIRE COMPANY

Harford County contributed \$750,000 for the construction of this new substation on Willoughby Beach Road for the Abingdon Volunteer Fire Company.

Harford County contributed \$5.5 million dollars for operating expenses of the 13 volunteer fire companies in the County in fiscal year 2008.



Statistical Section

Statistical Section

(Unaudited)

This part of the Harford County's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information has not been audited by the independent auditor.

Financial Trends

Tables 1 through 5 contain trend information that may assist the reader in assessing the County's current financial performance by placing it in historical perspective.

Revenue Capacity

Tables 6 through 9 contain information that may assist the reader in assessing the viability of the County's most significant local revenue source, property taxes.

Debt Capacity

Tables 10 through 14 present information that may assist the reader in analyzing the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Economic & Demographic Information

Tables 15 and 16 offer economic and demographic indicators that may assist the reader in understanding the environment within which the County's financial activities take place.

Operating Information

Tables 17 through 19 contain service and infrastructure indicators that may assist the reader in understanding how the information in the County's financial statements relates to the services the County provides and the activities it performs.

Source:

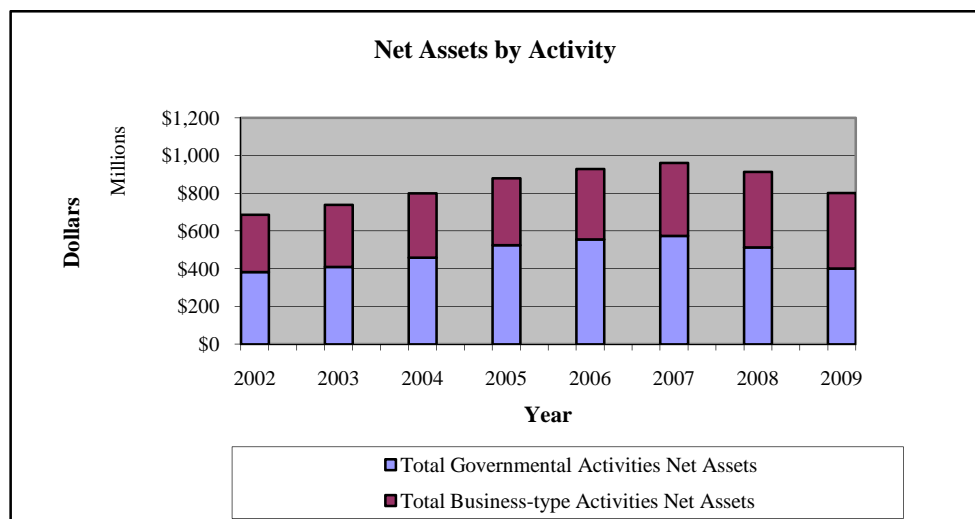
Unless otherwise noted, the information in these tables is derived from the annual financial reports for the relevant year. The County implemented GASB Statement No. 34 in fiscal year 2002, therefore tables presenting government-wide information includes only information from 2002 to the present.

Harford County, Maryland

Net Assets by Component (accrual basis of accounting)

Table 1
Last Eight Fiscal Years

	Fiscal Year		
	2002	2003	2004
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$ 284,105,573	\$ 333,435,548	\$ 357,931,623
Restricted	48,338,534	53,287,166	58,792,889
Unrestricted	50,029,353	22,536,723	41,887,313
Total Governmental Activities Net Assets	<u>\$ 382,473,460</u>	<u>\$ 409,259,437</u>	<u>\$ 458,611,825</u>
Business-Type Activities			
Invested in Capital Assets, Net of Related Debt	\$ 205,161,939	\$ 213,138,995	\$ 219,478,767
Unrestricted	97,819,863	115,982,093	121,799,547
Total Business-type Activities Net Assets	<u>\$ 302,981,802</u>	<u>\$ 329,121,088</u>	<u>\$ 341,278,314</u>
Primary Government			
Invested in Capital Assets, Net of Related Debt	\$ 489,267,512	\$ 546,574,543	\$ 577,410,390
Restricted	48,338,534	53,287,166	58,792,889
Unrestricted	147,849,216	138,518,816	163,686,860
Total Primary Government Net Assets	<u>\$ 685,455,262</u>	<u>\$ 738,380,525</u>	<u>\$ 799,890,139</u>



Fiscal Year				
2005	2006	2007	2008	2009
\$ 373,728,341	\$ 395,170,359	\$ 412,786,546	\$ 464,659,388	\$ 559,243,688
60,274,990	63,909,160	76,961,572	76,207,751	78,842,512
91,040,906	96,748,018	83,544,901	(27,463,371)	(236,562,865)
<u>\$ 525,044,237</u>	<u>\$ 555,827,537</u>	<u>\$ 573,293,019</u>	<u>\$ 513,403,768</u>	<u>\$ 401,523,335</u>
\$ 229,285,930	\$ 241,947,408	\$ 256,147,742	\$ 264,079,863	\$ 277,437,097
125,501,320	130,235,522	131,468,032	135,343,466	121,551,999
<u>\$ 354,787,250</u>	<u>\$ 372,182,930</u>	<u>\$ 387,615,774</u>	<u>\$ 399,423,329</u>	<u>\$ 398,989,096</u>
\$ 603,014,271	\$ 637,117,767	\$ 668,934,288	\$ 728,739,251	\$ 836,680,785
60,274,990	63,909,160	76,961,572	76,207,751	78,842,512
216,542,226	226,983,540	215,012,933	107,880,095	(115,010,866)
<u>\$ 879,831,487</u>	<u>\$ 928,010,467</u>	<u>\$ 960,908,793</u>	<u>\$ 912,827,097</u>	<u>\$ 800,512,431</u>

Harford County, Maryland

Changes in Net Assets (accrual basis of accounting)

Table 2
Last Eight Fiscal Years

Expenses (by function)	Fiscal Year		
	2002	2003	2004
<i>Government Activities</i>			
Agricultural Preservation	\$ 781,438	\$ 2,538,687	\$ 2,735,313
County Council	1,450,144	1,531,400	1,487,864
Education-Primary thru Com. College	166,198,521	176,217,742	181,753,439
General Government	23,064,861	20,203,633	23,123,024
Harford Center	347,606	367,731	367,731
Judicial	6,749,715	6,865,700	7,021,007
Libraries	9,058,242	13,458,114	10,783,353
Parks and Recreation	6,877,916	7,888,822	11,276,417
Public Safety	45,581,982	50,505,871	52,792,113
Public Works	35,391,778	39,726,014	42,579,379
Social Services & Health	17,149,173	19,183,085	20,164,881
Unallocated Debt Interest & Other Costs	8,555,498	8,688,555	7,619,473
Total Government Activities, as Restated	<u>321,206,874</u>	<u>347,175,354</u>	<u>361,703,994</u>
<i>Business-type Activities</i>			
Water and Sewer	31,523,242	32,220,977	33,605,134
Total Business-type Activities	<u>31,523,242</u>	<u>32,220,977</u>	<u>33,605,134</u>
Total Primary Government Expenses	<u>\$ 352,730,116</u>	<u>\$ 379,396,331</u>	<u>\$ 395,309,128</u>
Program Revenues			
<i>Government Activities</i>			
Charges for Services			
General Government	\$ 1,605,297	\$ 1,713,930	\$ 1,846,227
Public Safety	7,190,058	5,677,052	6,700,000
Public Works	8,357,508	12,493,132	13,123,511
Other Activities	1,054,504	1,130,547	1,161,341
Operating Grants and Contributions	28,212,214	28,233,897	28,017,918
Capital Grants and Contributions	12,948,888	17,444,925	10,601,993
Total Governmental Activities Program Revenue	<u>59,368,469</u>	<u>66,693,483</u>	<u>61,450,990</u>
<i>Business-type Activities</i>			
Charges for Services	19,122,209	19,541,794	20,327,113
Capital Grants and Contributions	20,668,188	21,366,306	19,416,140
Total Business-type Activities Program Revenue	<u>39,790,397</u>	<u>40,908,100</u>	<u>39,743,253</u>
Total Primary Government Program Revenues	<u>\$ 99,158,866</u>	<u>\$ 107,601,583</u>	<u>\$ 101,194,243</u>
Net (Expense) Revenue			
<i>Government Activities, as Restated</i>	\$ (261,838,405)	\$ (280,481,871)	\$ (300,253,004)
<i>Business-type Activities</i>	8,267,155	8,687,123	6,138,119
Total Primary Government Net Expense, as Restated	<u>\$ (253,571,250)</u>	<u>\$ (271,794,748)</u>	<u>\$ (294,114,885)</u>
General Revenues and Other Changes in Net Assets			
<i>Government Activities</i>			
Taxes			
Property Taxes	\$ 150,826,264	\$ 156,065,011	\$ 169,062,889
Income Taxes	117,760,864	119,276,969	148,636,932
Other Taxes	22,239,992	24,587,212	30,167,280
Investment Earnings	6,724,177	6,560,410	1,244,606
Grants and Contributions	-	860,767	645,575
Miscellaneous	1,082,504	1,072,462	1,422,066
Total Governmental Activities	<u>298,633,801</u>	<u>308,422,831</u>	<u>351,179,348</u>
<i>Business-type Activities</i>			
Other Taxes	1,840,995	2,142,874	2,724,595
Investment Earnings	4,941,379	4,274,289	3,294,512
Litigation Settlement	-	11,035,000	-
Total Business-type Activities	<u>6,782,374</u>	<u>17,452,163</u>	<u>6,019,107</u>
Total Primary Government	<u>\$ 305,416,175</u>	<u>\$ 325,874,994</u>	<u>\$ 357,198,455</u>
Change in Net Assets			
<i>Government Activities, as Restated</i>	\$ 36,795,396	\$ 27,940,960	\$ 50,926,344
<i>Business-type Activities</i>	15,049,529	26,139,286	12,157,226
Total Primary Government, as Restated	<u>\$ 51,844,925</u>	<u>\$ 54,080,246</u>	<u>\$ 63,083,570</u>

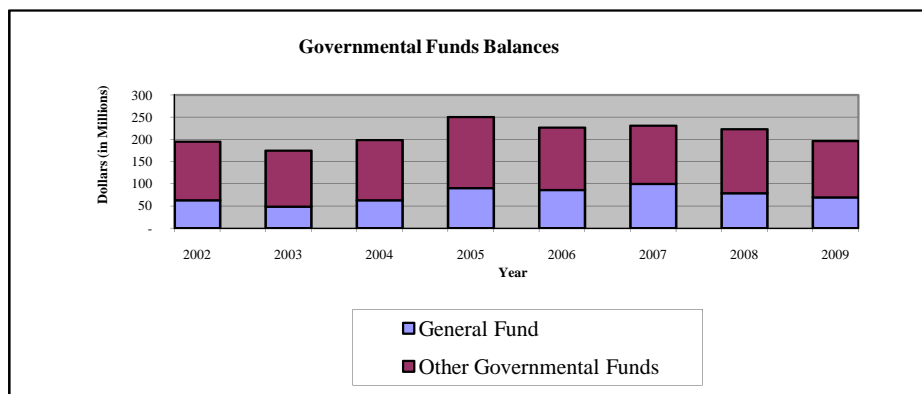
Fiscal Year				
2005	2006	2007	2008	2009
\$ 2,458,011	\$ 3,063,167	\$ 1,967,017	\$ 3,127,195	\$ 5,695,097
1,546,589	1,771,152	1,859,440	2,379,819	2,243,875
197,639,393	237,071,869	241,576,927	297,182,465	319,330,062
23,164,674	22,934,310	36,207,586	43,776,142	51,703,093
382,143	432,143	482,143	532,142	582,143
7,639,916	8,342,616	9,052,442	10,398,970	10,206,733
13,838,222	17,313,195	12,894,760	16,406,652	16,809,566
9,950,468	11,255,578	19,323,689	18,980,453	14,431,566
57,134,910	64,446,233	74,225,224	95,946,852	95,086,768
43,118,390	66,827,829	56,214,545	73,819,429	60,809,936
20,683,885	22,780,840	25,119,209	26,492,857	28,677,264
7,852,493	8,498,206	8,202,236	9,995,430	10,563,561
385,409,094	464,737,138	487,125,218	599,038,406	616,139,664
34,271,051	35,899,779	36,525,841	40,077,024	40,862,648
34,271,051	35,899,779	36,525,841	40,077,024	40,862,648
\$ 419,680,145	\$ 500,636,917	\$ 523,651,059	\$ 639,115,430	\$ 657,002,312
\$ 1,861,049	\$ 1,984,467	\$ 2,087,329	\$ 2,109,440	\$ 2,149,523
9,119,711	6,441,809	6,647,023	6,227,490	5,370,147
13,706,892	14,678,365	14,754,084	16,734,280	11,573,060
1,257,179	1,302,711	1,300,942	1,340,804	1,170,172
27,829,602	32,667,246	33,674,068	34,867,362	36,473,746
19,323,654	23,626,095	17,680,246	17,557,762	9,210,506
73,098,087	80,700,693	76,143,692	78,837,138	65,947,154
20,841,982	22,236,063	22,757,806	24,179,578	24,001,673
19,016,100	20,539,437	18,600,053	17,661,512	10,366,224
39,858,082	42,775,500	41,357,859	41,841,090	34,367,897
\$ 112,956,169	\$ 123,476,193	\$ 117,501,551	\$ 120,678,228	\$ 100,315,051
\$ (312,311,007)	\$ (384,036,445)	\$ (410,981,526)	\$ (520,201,268)	\$ (550,192,510)
5,587,031	6,875,721	4,832,018	1,764,066	(6,494,751)
\$ (306,723,976)	\$ (377,160,724)	\$ (406,149,508)	\$ (518,437,202)	\$ (556,687,261)
\$ 180,609,309	\$ 195,158,988	\$ 218,160,400	\$ 243,355,073	\$ 269,385,374
150,378,591	158,656,846	160,292,947	167,483,930	136,159,443
38,728,179	48,152,486	41,225,896	31,524,076	21,920,852
7,754,509	9,566,164	14,410,465	15,068,189	7,883,023
860,767	860,767	909,303	832,651	100,161
1,733,509	4,738,703	3,491,848	2,048,098	2,863,224
380,064,864	417,133,954	438,490,859	460,312,017	438,312,077
3,403,703	3,943,394	3,213,661	2,501,024	1,572,507
4,518,202	6,576,565	7,387,165	7,542,465	4,488,011
-	-	-	-	-
7,921,905	10,519,959	10,600,826	10,043,489	6,060,518
\$ 387,986,769	\$ 427,653,913	\$ 449,091,685	\$ 470,355,506	\$ 444,372,595
\$ 67,753,857	\$ 33,097,509	\$ 27,509,333	\$ (59,889,251)	\$ (111,880,433)
13,508,936	17,395,680	15,432,844	11,807,555	(434,233)
\$ 81,262,793	\$ 50,493,189	\$ 42,942,177	\$ (48,081,696)	\$ (112,314,666)

Harford County, Maryland

Fund Balances, Governmental Funds (modified accrual basis of accounting)

Table 3
Last Eight Fiscal Years

	Fiscal Year		
	2002	2003	2004
General Fund			
Reserved	\$ 10,528,878	\$ 8,198,332	\$ 4,630,184
Unreserved			
Designated for Future Use	20,691,039	7,423,136	10,085,313
Designated for Credit Rating Purposes	15,962,949	15,787,560	16,949,171
Designated for Other Purposes	8,755,185	11,074,163	9,781,534
Undesignated Major Funds	7,363,314	5,921,926	22,003,739
Total General Fund	63,301,365	48,405,117	63,449,941
All Other Governmental Funds			
Reserved	\$ 15,889,234	\$ 21,776,211	\$ 25,154,495
Unreserved, reported in:			
Special Revenue Funds	44,128,229	49,038,817	47,820,543
Capital Project Funds	71,590,209	55,906,477	62,254,853
Total All Other Governmental Funds	131,607,672	126,721,505	135,229,891
Total All Governmental Funds	\$ 194,909,037	\$ 175,126,622	\$ 198,679,832



Fiscal Year				
2005	2006	2007	2008	2009
\$ 4,189,344	\$ 2,964,901	\$ 8,539,455	\$ 9,610,690	\$ 16,515,456
24,157,124	19,899,899	25,657,817	24,929,371	2,038,000
19,879,813	21,477,312	23,603,395	24,366,267	23,071,182
10,359,862	11,185,859	18,999,472	12,727,315	15,364,507
31,738,528	30,801,310	22,918,854	7,275,141	12,953,584
<u>90,324,671</u>	<u>86,329,281</u>	<u>99,718,993</u>	<u>78,908,784</u>	<u>69,942,729</u>
\$ 26,687,436	\$ 18,861,192	\$ 30,306,608	\$ 27,740,661	\$ 56,905,015
51,966,401	58,015,268	61,436,049	62,599,094	63,535,177
81,755,014	63,992,661	39,690,723	54,045,835	5,995,652
<u>160,408,851</u>	<u>140,869,121</u>	<u>131,433,380</u>	<u>144,385,590</u>	<u>126,435,844</u>
\$ <u>250,733,522</u>	\$ <u>227,198,402</u>	\$ <u>231,152,373</u>	\$ <u>223,294,374</u>	\$ <u>196,378,573</u>

Harford County, Maryland

Changes in Fund Balances, Governmental Funds (modified accrual basis of accounting)

Table 4
Last Eight Fiscal Years

	Fiscal Year		
	2002	2003	2004
REVENUES			
Taxes	\$ 292,082,670	\$ 300,449,556	\$ 336,284,877
Revenues from Other Agencies	32,061,157	33,935,764	32,157,865
Investment Income	6,238,809	6,343,303	1,131,601
Charges for Current Services	14,794,163	17,050,091	18,364,374
Miscellaneous	1,082,504	1,210,245	1,601,605
Licenses and Permits	3,165,955	3,189,445	3,405,141
Fines and Forfeitures	76,253	203,133	293,387
Total Revenues	349,501,511	362,381,537	393,238,850
EXPENDITURES			
Agricultural Preservation	2,003,110	7,240,243	5,411,510
County Council	1,419,861	1,571,340	1,483,520
General Government	21,491,344	20,941,923	23,037,144
Education-Primary thru Com College	148,954,027	157,549,466	159,838,878
Harford Center	347,606	367,731	367,731
Judicial	6,256,191	6,448,245	6,540,613
Libraries	8,765,813	9,731,241	10,361,806
Parks, Recreation and Natural Resources	6,038,609	6,474,097	6,964,965
Public Safety	44,861,108	48,332,669	50,229,709
Public Works	28,646,164	54,705,653	32,390,927
Social Services	16,172,807	18,023,183	20,525,377
Capital Outlay	44,246,753	51,547,714	50,991,391
Debt Service			
Principal	10,010,573	15,454,794	18,444,292
Interest	7,959,173	10,105,153	9,461,803
Forgiveness of Long-term debt	-	-	-
Administrative Cost	166,491	989,515	255,893
Total Expenditures	347,339,630	409,482,967	396,305,559
Excess (Deficiency) of Revenues Over Expenditures	2,161,881	(47,101,430)	(3,066,709)
OTHER FINANCING SOURCES (USES)			
Transfers In	30,420,950	37,397,005	27,214,887
Transfers (Out)	(30,420,950)	(37,397,005)	(27,214,887)
Payment to Escrow Agent for Refunding	-	-	(13,154,444)
Premium on Issuance of Bonds	-	-	-
Issuance of Notes & Leases	3,500,000	43,338	-
Issuance of Installment Purchase Agreements	590,612	4,777,778	2,638,004
Issuances from Bonds	28,625,819	22,570,750	37,024,444
Total Other Financing Sources and Uses	32,716,431	27,391,866	26,508,004
Net Change in Fund Balances	\$ 34,878,312	\$ (19,709,564)	\$ 23,441,295

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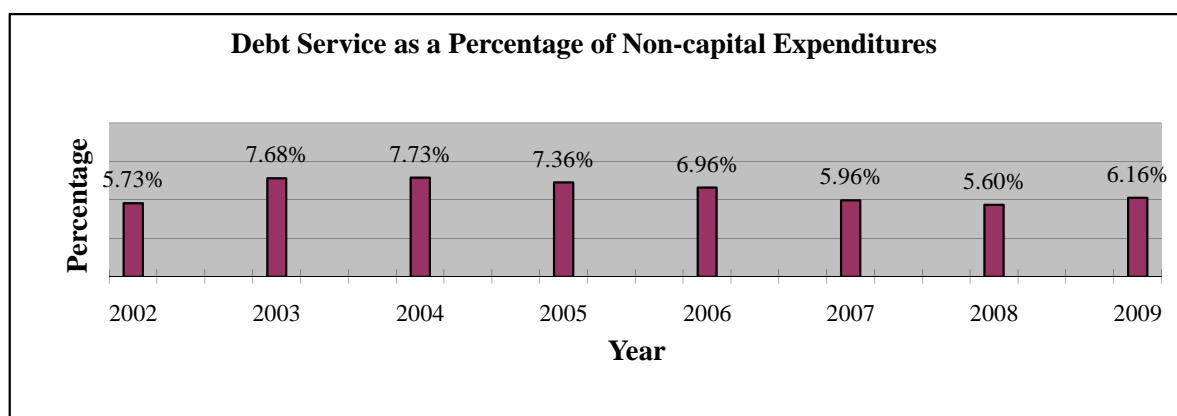
Harford County, Maryland

Debt Service as a Percentage of Non-capital Expenditures

Table 5
Last Eight Fiscal Years

		Fiscal Year		
		2002	2003	2004
Total Expenditures	\$	<u>347,339,630</u>	<u>409,482,967</u>	<u>396,305,559</u>
(1) Less Capital Asset Expenditures		<u>31,066,768</u>	<u>63,600,954</u>	<u>31,779,050</u>
Non-capital Expenditures	\$	<u><u>316,272,862</u></u>	<u><u>345,882,013</u></u>	<u><u>364,526,509</u></u>
Debt Service Expenditures				
Principal	\$	10,010,573	15,454,794	18,444,292
Interest		7,959,173	10,105,153	9,461,803
Forgiveness of Long-term debt		-	-	-
Administrative Cost		<u>166,491</u>	<u>989,515</u>	<u>255,893</u>
Total Debt Service Expenditures	\$	<u><u>18,136,237</u></u>	<u><u>26,549,462</u></u>	<u><u>28,161,988</u></u>
Total Debt Service as a Percentage of Non-capital Expenditures		<u><u>5.73%</u></u>	<u><u>7.68%</u></u>	<u><u>7.73%</u></u>

(1) Total Capital Asset Expenditures equals the Purchase of Capital Assets in that fiscal year.



Fiscal Year				
2005	2006	2007	2008	2009
\$ 434,643,078	\$ 496,947,280	\$ 525,172,644	\$ 652,354,638	\$ 663,451,288
47,847,785	30,601,719	41,900,223	51,462,491	63,496,219
\$ 386,795,293	\$ 466,345,561	\$ 483,272,421	\$ 600,892,147	\$ 599,955,069
\$ 17,266,837	\$ 21,686,606	\$ 18,050,332	\$ 20,403,260	\$ 22,135,758
10,030,592	10,596,280	10,296,906	12,689,676	14,110,855
850,000	-	-	-	-
302,312	159,045	470,370	567,990	685,625
\$ 28,449,741	\$ 32,441,931	\$ 28,817,608	\$ 33,660,926	\$ 36,932,238
7.36%	6.96%	5.96%	5.60%	6.16%

Harford County, Maryland

Assessed Value and Actual Value of Taxable Property (1) (Per \$100 of Assessed Value)

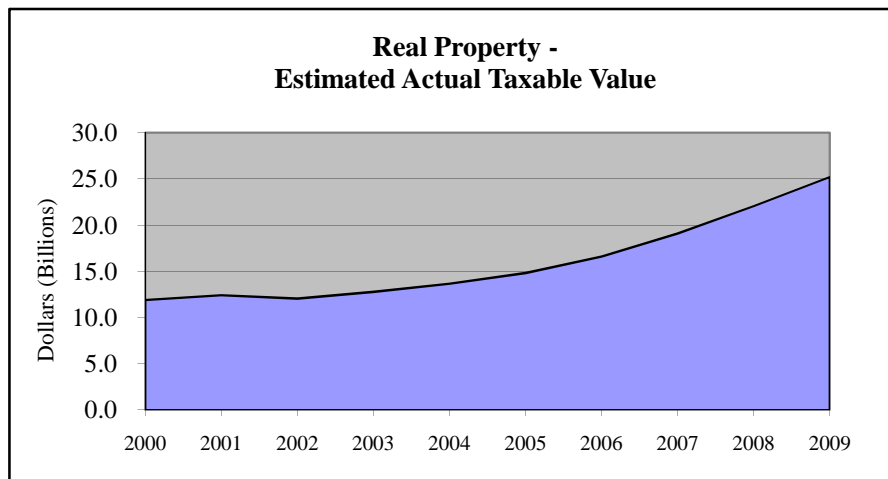
Table 6
Last Ten Fiscal Years

Fiscal Year Ending June 30	Real Property			
	Assessed Value	Exempt Property	Taxable Assessed Value	Estimated Actual Taxable Value
2000	\$ 5,035,193,031	\$ 690,462,210	\$ 4,344,730,821	\$ 11,897,520,368
2001	5,250,575,256	693,785,690	4,556,789,566	12,432,652,450
2002 (2)	13,859,919,484	1,800,100,819	12,059,818,665	12,059,818,665
2003	14,614,884,399	1,830,939,786	12,783,944,613	12,783,944,613
2004	15,527,295,683	1,871,639,589	13,655,656,094	13,655,656,094
2005	16,726,025,577	1,896,309,164	14,829,716,413	14,829,716,413
2006	18,548,656,553	1,940,013,808	16,608,642,745	16,608,642,745
2007	21,102,242,472	2,014,779,364	19,087,463,108	19,087,463,108
2008	24,150,504,718	2,085,913,339	22,064,591,379	22,064,591,379
2009	27,438,977,269	2,225,139,558	25,213,837,711	25,213,837,711

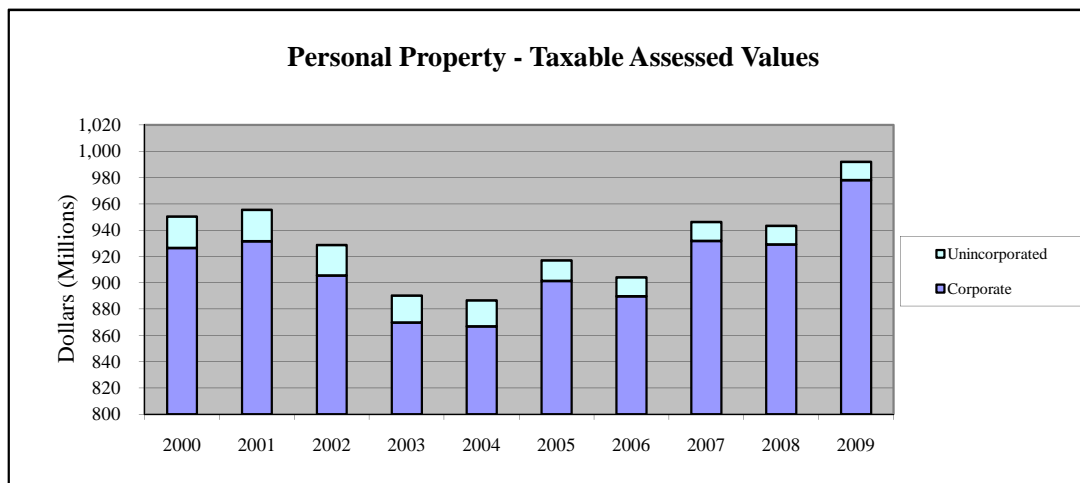
(1) Based on information provided by the Maryland Department of Assessments and Taxation.

(2) As of Fiscal Year 2002, real property taxes are assessed at the property's estimated actual value.
Previously real property taxes were assessed at 40% of the property's estimated actual value.

Note: Assessed values are established by the Maryland Department of Assessments and Taxation at assessed market value. A reassessment of all property is required to be completed every three years; any increase in property values is phased in over a minimum of three years. Additionally, the County has a real property tax assessment cap for residential properties of 10% for Fiscal Year 2008 and prior and 9% for Fiscal Year 2009. Personal Property tax rates are 2.5 times the real property tax rate.



% Taxable Assessed To Estimated Actual Taxable Value	Real Property Direct Tax Rate	Personal Property			Personal Property Direct Tax Rate
		Corporate Taxable Assessed Value	Unincorporated Taxable Assessed Value		
36.52%	2.730	\$ 926,577,370	\$ 23,823,430		2.730
36.65%	2.730	931,706,090	23,715,050		2.730
100.00%	1.092	905,527,810	23,169,200		2.730
100.00%	1.092	869,827,630	20,554,730		2.730
100.00%	1.092	866,976,420	19,634,220		2.730
100.00%	1.092	901,577,340	15,330,820		2.730
100.00%	1.082	889,899,840	14,181,420		2.705
100.00%	1.082	931,753,570	14,438,670		2.705
100.00%	1.082	929,164,770	14,066,570		2.705
100.00%	1.082	978,058,220	13,982,600		2.705



Harford County, Maryland

Direct and Overlapping Property Tax Rates (1) (Per \$100 of Assessed Value)

Table 7
Last Ten Fiscal Years

Fiscal Year Ending June 30	County Direct Real Property Tax Rate			Overlapping Real Property Tax Rates		
	General Fund (2)	Special Revenue Fund (3)	Total Direct Tax Rate	Town of Bel Air (4)	City of Aberdeen (4)	City of Havre de Grace (4)
2000	2.340	0.390	2.730	1.100	1.280	1.550
2001	2.340	0.390	2.730	1.100	1.280	1.550
2002	0.936	0.156	1.092	0.440	0.512	0.620
2003	0.936	0.156	1.092	0.440	0.512	0.620
2004	0.936	0.156	1.092	0.500	0.550	0.720
2005	0.936	0.156	1.092	0.500	0.550	0.720
2006	0.926	0.156	1.082	0.500	0.550	0.700
2007	0.926	0.156	1.082	0.500	0.735	0.680
2008	0.926	0.156	1.082	0.500	0.715	0.650
2009	0.926	0.156	1.082	0.500	0.700	0.630

Fiscal Year Ending June 30	County Direct Personal Property Tax Rate			Overlapping Personal Property Tax Rates		
	General Fund (2)	Special Revenue Fund (3)	Total Direct Tax Rate	Town of Bel Air (4)	City of Aberdeen (4)	City of Havre de Grace (4)
2000	2.340	0.390	2.730	1.100	1.280	1.550
2001	2.340	0.390	2.730	1.100	1.280	1.550
2002	2.340	0.390	2.730	1.100	1.280	1.550
2003	2.340	0.390	2.730	1.100	1.280	1.550
2004	2.340	0.390	2.730	1.160	1.400	1.705
2005	2.340	0.390	2.730	1.160	1.400	1.705
2006	2.315	0.390	2.705	1.160	1.400	1.705
2007	2.315	0.390	2.705	1.160	1.700	1.705
2008	2.315	0.390	2.705	1.160	1.700	1.705
2009	2.315	0.390	2.705	1.160	1.700	1.705

(1) Overlapping rates are those of local municipalities that apply to property owners within Harford County.

Not all overlapping rates apply to all Harford County property owners. For example, Town of Bel Air rates apply only to the County property owners whose property is located within that municipalities geographic boundaries.

(2) Assessed against all property within Harford County.

(3) Assessed against all property within Harford County, but not in an incorporated town.

(4) Assessed against all property within these incorporated towns.

Note: The County's direct property tax rates are set by the County Council and can only be changed by the Council.

Harford County, Maryland

Principal Taxpayers (1)

Table 8
Current Fiscal Year and Ten Years Ago

Fiscal Year		2009		
Taxpayer	Type of Business	Assessed Valuation	County Taxes (2)	Percentage of Total Assessed Valuation
Baltimore Gas & Electric Company	Public Utility	\$ 288,069,620	\$ 7,717,373	1.10%
Susquehanna Power Company	Public Utility	106,492,600	2,880,013	0.41%
Verizon - Maryland	Public Utility	80,527,410	2,085,462	0.31%
Constellation Power Source Generation, Inc.	Non-Utility Generator	46,529,580	1,064,305	0.18%
Harford Mall Business Trust	Shopping Center	67,853,832	628,326	0.26%
Festival at Bel Air LLC	Shopping Center	58,028,300	627,866	0.22%
Columbia Gas Transmission	Public Utility	17,274,950	467,250	0.07%
Wells Fargo Northwest	Office/Industrial Ctr	56,744,100	442,030	0.22%
Bel Air Square LLC	Shopping Center	46,867,966	433,997	0.18%
Comcast Of Harford County LLC	Cable Provider	13,210,470	346,136	0.05%
		<u>781,598,828</u>	<u>16,692,758</u>	<u>3.00%</u>
Total Assessed Valuation		\$ <u>26,205,876,531</u>		

Fiscal Year		1999		
Taxpayer	Type of Business	Assessed Valuation	County Taxes (2)	Percentage of Total Assessed Valuation
Baltimore Gas & Electric Company	Public Utility	\$ 256,203,090	\$ 6,941,690	5.10%
MCI Telecommunications Corporation	Public Utility	154,413,670	4,214,641	3.07%
Bell Atlantic - Maryland	Public Utility	97,277,910	2,374,571	1.93%
Susquehanna Power Company	Public Utility	69,063,020	1,884,675	1.37%
GPS Maryland Inc	Office/Industrial Ctr	33,768,470	921,879	0.67%
Sumitomo Bank Leasing & Finance Inc.	Office/Industrial Ctr	18,498,800	505,017	0.37%
Columbia Gas Transmission	Public Utility	15,780,220	430,788	0.31%
Mid-Atlantic Realty Trust	Shopping Center	17,056,190	399,115	0.34%
May Department Stores	Office/Industrial Ctr	14,159,290	378,948	0.28%
Supervalu Operations Inc	Office/Industrial Ctr	11,640,940	317,797	0.23%
		<u>687,861,600</u>	<u>18,369,121</u>	<u>13.68%</u>
Total Assessed Valuation		\$ <u>5,028,143,676</u> (2)		

SOURCE: Harford County Department of the Treasury

(1) Total Taxable Assessed Valuations are based on information provided by the Maryland Department of Assessments and Taxation

(2) Prior to Fiscal Year 2002, real property values were assessed at 40% of the property's estimated actual value.

Harford County, Maryland

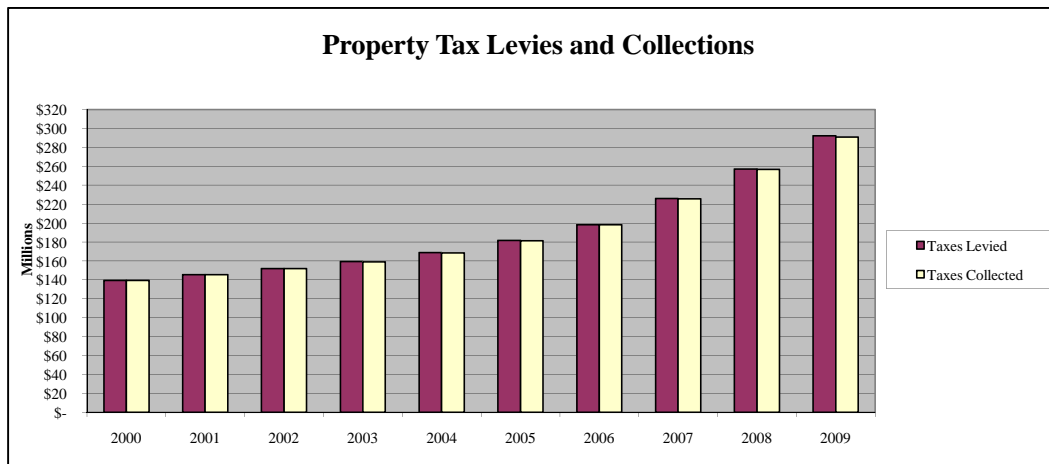
Property Tax Levies and Collections

Table 9

Last Ten Fiscal Years

Year Ending June 30	Total Taxes Levied	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Delinquent Taxes to Tax Levy
		Amount	Percent		Amount	Percent		
2000	\$ 139,389,653	\$ 139,632,575	100.174%	\$ (262,493) (1)	\$ 139,370,082	99.986%	\$ 19,571	0.01%
2001	145,565,111	145,248,099	99.782%	263,602	145,511,701	99.963%	53,410	0.04%
2002	152,046,866	151,301,348	99.510%	651,238	151,952,586	99.938%	94,280	0.06%
2003	159,224,781	156,728,264	98.432%	2,398,773	159,127,037	99.939%	97,744	0.06%
2004	168,687,861	167,999,826	99.592%	594,739	168,594,565	99.945%	93,296	0.06%
2005	181,498,173	181,184,501	99.827%	152,573	181,337,074	99.911%	161,099	0.09%
2006	198,367,892	197,681,023	99.654%	528,152	198,209,175	99.920%	158,717	0.08%
2007	225,936,458	225,203,456	99.676%	582,178	225,785,634	99.933%	150,824	0.07%
2008	256,932,168	255,936,685	99.613%	731,442	256,668,127	99.897%	264,041	0.10%
2009	292,351,782	290,917,209	99.509%	N/A	290,917,209	99.509%	1,434,573	0.49%

(1) In December, 2001, the Maryland Department of Assessment and Taxation retroactively reduced the corporate personal tax assessment for Saks Fifth Avenue; as a result Saks received a refund of \$308,757 for fiscal year 2000 taxes.



Harford County, Maryland

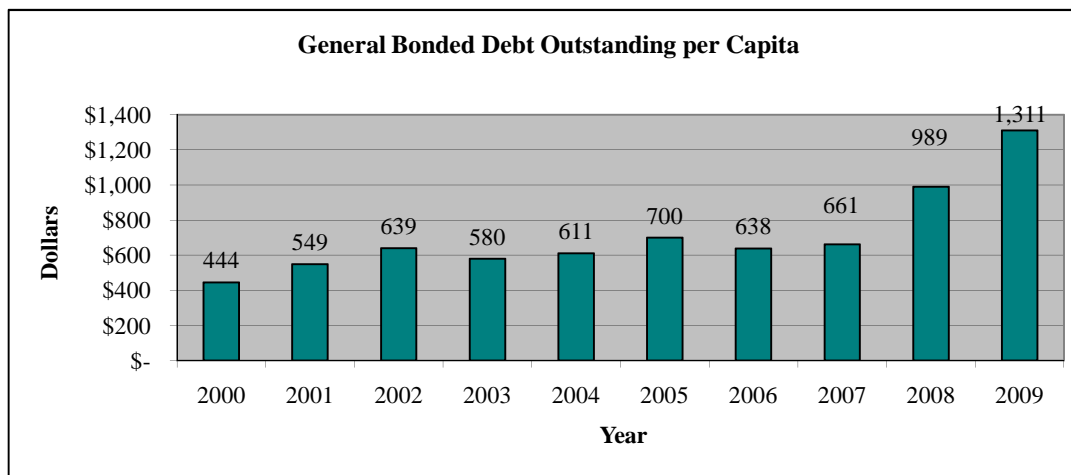
Ratios of General Bonded Debt Outstanding (1)

Table 10
Last Ten Fiscal Years

Year Ending June 30	Governmental General Obligation Debt (2)	Business-type General Obligation Bonds	Less Amounts to be Paid with Other Resources (3)	Total Net Primary Government	Percentage of Actual Assessed Value of Property (4)	Per Capita (4)
2000	\$ 128,505,461	\$ 117,281,174	\$ 148,305,572	\$ 97,481,063	1.84%	\$ 444
2001	153,550,982	110,523,116	142,088,998	121,985,100	2.21%	549
2002	176,591,527	102,048,855	133,687,479	144,952,903	1.12%	639
2003	169,869,912	91,685,037	127,713,945	133,841,004	0.98%	580
2004	180,976,494	85,059,837	123,297,887	142,738,444	0.98%	611
2005	204,436,901	82,783,768	121,158,041	166,062,628	1.05%	700
2006	191,290,866	68,994,713	107,627,411	152,658,168	0.87%	638
2007	198,511,893	60,545,635	100,736,470	158,321,058	0.79%	661
2008	290,253,582	74,409,065	126,944,354	237,718,293	1.03%	989 (5)
2009	380,763,246	88,308,263	146,485,275	322,586,234	1.23%	1,311 (5)

- (1) Bonded Debt is all debt backed by the full faith and credit and unlimited taxing authority of the County. Business-type bonds are included here because they are backed by the full faith and credit and unlimited taxing authority of the County; however, business-type bonds are payable in the first instance from area connection charges, benefit assessments, surcharges and recordation taxes. See Table 11 for specific information on business-type bonded debt.
- (2) The Washington Court Note Payable and the 2007 Lease Purchase are backed by the full faith and credit and unlimited taxing authority of the County, however, all other Capital Leases and Notes Payable are not backed by the full faith and credit and unlimited taxing authority of the County and are not included in the Governmental General Obligation Debt.
- (3) Agriculture Land Preservation debt and Water & Sewer debt are subtracted from the bonded debt because Agriculture Land Preservation debt is paid from dedicated revenues in the Agricultural Preservation Special Revenue fund and Water and Sewer debt is paid from the Water & Sewer Enterprise fund.
- (4) Information from Tables 6 and 15.
- (5) Personal income and population information were estimated for fiscal years 2008 and 2009 because data was unavailable.

Note: Detail regarding the County's debt can be found in the notes to the financial statements.



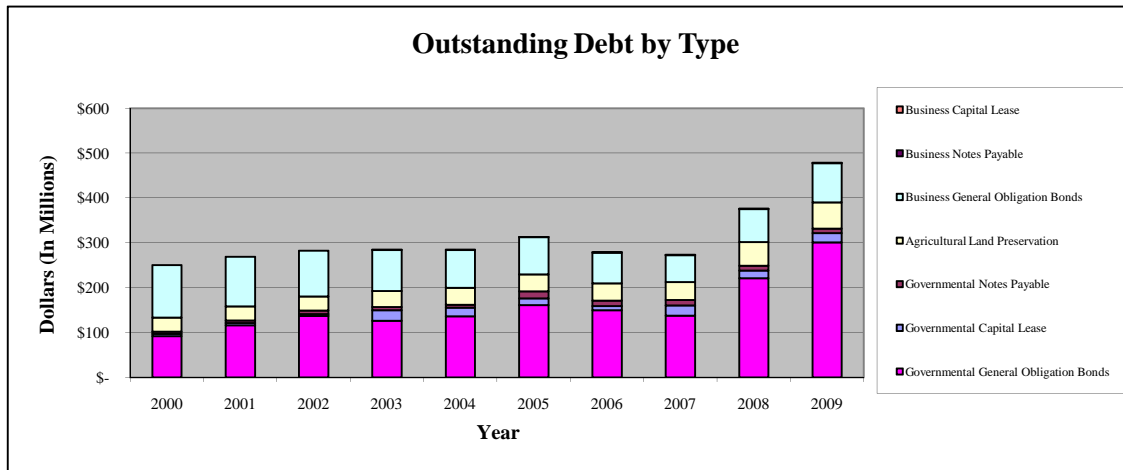
Harford County, Maryland

Ratios of Outstanding Debt by Type (1)

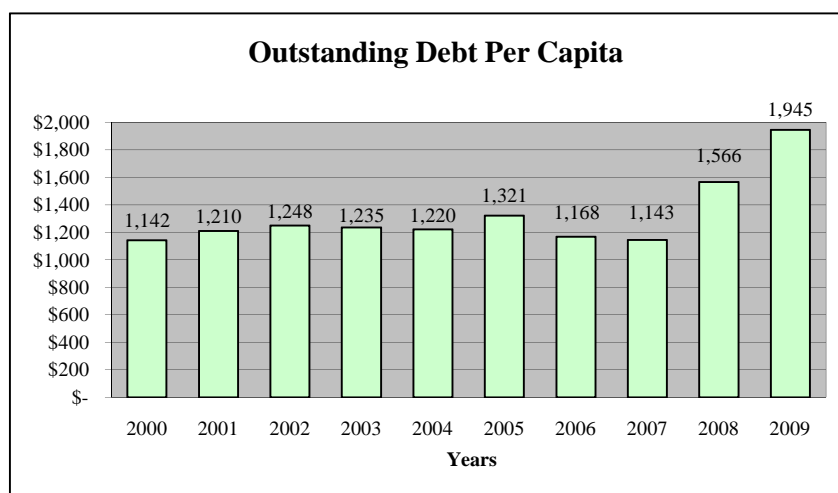
Table 11
Last Ten Fiscal Years

Fiscal Year Ending June 30	Governmental Activities				
	General Obligation Bonds	Capital Lease Obligation	Notes Payable	Agricultural Land Preservation	Total Governmental Activities
2000	\$ 92,345,089	\$ 4,845,257	\$ 5,135,974	\$ 31,024,398	\$ 133,350,718
2001	116,843,487	4,932,947	5,141,613	31,565,882	158,483,929
2002	136,887,632	4,322,441	8,065,271	31,638,624	180,913,968
2003	126,797,975	22,981,128	7,268,029	35,803,908	192,851,040
2004	136,566,067	18,896,526	6,397,725	38,012,702	199,873,020
2005	161,388,248	14,885,073	15,814,155	38,179,497	230,266,973
2006	150,076,668	8,955,750	12,511,500	38,632,698	210,176,616
2007	138,106,697	22,584,599	11,870,000	40,508,347	213,069,643
2008	221,313,649	17,406,894	10,590,000	52,535,289	301,845,832
2009	301,480,584	20,325,901	10,181,999	58,177,012	390,165,496

- (1) All debt reported by the primary government. Details regarding the County's debt can be found in the notes to the financial statements.
- (2) Information from Table 15.
- (3) Personal Income and population information were estimated for fiscal years 2008 and 2009 because data was unavailable.



General Obligation Bonds	Business-type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	Notes Payable	Capital Lease Obligation	Total Business-type Activities			
\$ 117,281,174	\$ -	\$ -	\$ 117,281,174	\$ 250,631,892	3.65%	\$ 1,142
110,523,116	-	-	110,523,116	269,007,045	3.69%	1,210
102,048,855	-	-	102,048,855	282,962,823	3.70%	1,248
91,685,037	225,000	-	91,910,037	284,761,077	3.52%	1,235
85,059,837	225,348	-	85,285,185	285,158,205	3.30%	1,220
82,783,768	194,776	-	82,978,544	313,245,517	3.40%	1,321
68,994,713	171,238	-	69,165,951	279,342,567	2.87%	1,168
60,228,123	138,950	317,512	60,684,585	273,754,228	2.65%	1,143
74,150,409	105,683	258,656	74,514,748	376,360,580	3.43% (3)	1,566 (3)
88,110,699	71,406	197,564	88,379,669	478,545,165	4.11% (3)	1,945 (3)



Harford County, Maryland

Legal Debt Margin Information

Table 12

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Debt Applicable to the Limit</u>	<u>Legal Debt Margin</u>	<u>Total Debt Applicable to the Limit as a % of Debt Limit</u>
2000	\$ 897,839,075	\$ 88,075,089	\$ 809,763,986	9.81%
2001	930,899,459	112,818,487	818,080,972	12.12%
2002	970,899,721	133,122,632	837,777,089	13.71%
2003	1,010,450,418	123,302,975	887,147,443	12.20%
2004	1,064,629,337	136,566,067	928,063,270	12.83%
2005	1,027,319,209	192,087,477	835,231,732	18.70%
2006	1,132,130,755	171,543,918	960,586,837	15.15%
2007	1,287,176,622	172,561,296	1,114,615,326	13.41%
2008	1,465,360,184	249,310,543	1,216,049,641	17.01%
2009	1,661,636,386	331,988,484	1,329,647,902	19.98%

Legal Debt Margin Calculation for Fiscal Year 2008

(1) Net Assessed Value-Real Property	\$ 25,213,837,711	
(2) Debt Limit=6% of Net Assessed Value		\$ 1,512,830,263
(1) Assessed Value--Personal Property	<u>992,040,820</u>	
(2) Debt Limit=15% of Net Assessed Value		<u>148,806,123</u>
Total Debt Limit		1,661,636,386
(3) Amount of Debt Applicable to Debt Limit	478,545,165	
Less Other deductions allowed by law:		
(3) Debt Payable from Special Revenue Fund	(58,177,012)	
(3) Debt Payable from Enterprise Revenues	<u>(88,379,669)</u>	
Total debt applicable to Debt Limitation		<u>331,988,484</u>
Legal debt margin		<u><u>\$ 1,329,647,902</u></u>

(1) Table 6

(2) Pursuant to Article 25A section 5 (P) of the Annotated Code of Maryland

(3) Table 11

Harford County, Maryland

Direct and Overlapping Governmental Activities Debt

Table 13
Current Fiscal Year

<u>Jurisdiction</u>	<u>Total Debt Outstanding (1)</u>	<u>Taxable Assessed Valuation (2)</u>	<u>% of Assessed Valuation to Countywide Total (3)</u>	<u>Estimated Share Of Total Direct & Overlapping Debt (4)</u>
Direct				
Harford County	\$ 331,988,484	\$ 19,003,866,943	82.60%	\$ 309,519,249
Overlapping				
Aberdeen	6,150,838	1,288,559,286	5.60%	20,984,356
Bel Air	2,430,685	1,262,967,479	5.49%	20,572,163
Havre de Grace	34,150,633	1,452,429,011	6.31%	23,644,872
<i>Total Overlapping Debt</i>	<u>42,732,156</u>	<u>4,003,955,776</u>	<u>17.40%</u>	<u>65,201,391</u>
Total	\$ <u>374,720,640</u>	\$ <u>23,007,822,719</u>	<u>100.00%</u>	\$ <u>374,720,640</u>

(1) Debt repaid with property tax revenues.

(2) Total assessed value data provided by State Department of Assessments and Taxation. Municipality assessed value data provided by the municipalities.

(3) The % of assessed valuation to countywide total is calculated by using taxable assessed property values divided by the County's total taxable assessed value.

(4) The estimated share of total direct and overlapping debt is estimated by multiplying the total debt outstanding by the % of assessed valuation to Countywide total per jurisdiction.

Note: Overlapping governments are those local municipalities within the geographic boundaries of the County. This schedule estimates the entire debt burden borne by the residents and businesses within the County.

Harford County, Maryland

Bond Coverage - Water and Sewer (1) Including Capital Recovery Fees

Table 14
Last Ten Fiscal Years

Fiscal Year Ending June 30	Gross Revenue (2)	Area Connection Charges (3)	Benefit Assessment (3)	User Assessments and Surcharges (3)	Total Gross Revenues
2000	\$ 23,727,452	\$ 1,572,650	\$ 912,838	\$ 8,196,843	\$ 34,409,783
2001	25,357,736	1,866,000	869,041	9,600,725	37,693,502
2002	25,904,583	1,904,600	875,569	9,493,009	38,177,761
2003	36,993,957 (6)	1,575,650	981,397	9,262,560	48,813,564
2004	26,346,220	1,530,350	1,581,711 (7)	9,331,722	38,790,003
2005	28,763,887	1,629,350	980,754	10,246,968	41,620,959
2006	32,756,022	1,106,200	878,150	7,792,887	42,533,259
2007	33,358,632	861,100	632,759	6,968,474	41,820,965
2008	34,223,067	1,127,600	658,689	8,567,130	44,576,486
2009	30,062,191	553,400	691,019	5,620,994	36,927,604

(1) Harford County Water and Sewer Enterprise Fund shown in Exhibit 8.

(2) Includes Total Operating Revenue, Interest Income, and Recordation Tax revenues.

(3) Includes capital recovery charges and assessments not shown as revenues prior to fiscal year 2001.
Beginning Fiscal Year 2001, capital recovery charges are recorded as capital contributions on the Statement of Revenues, Expenses, and Changes in Fund Net Assets, in accordance with GASB 33.

(4) Includes Total Operating Expenses exclusive of Depreciation plus Other Income (Expense).

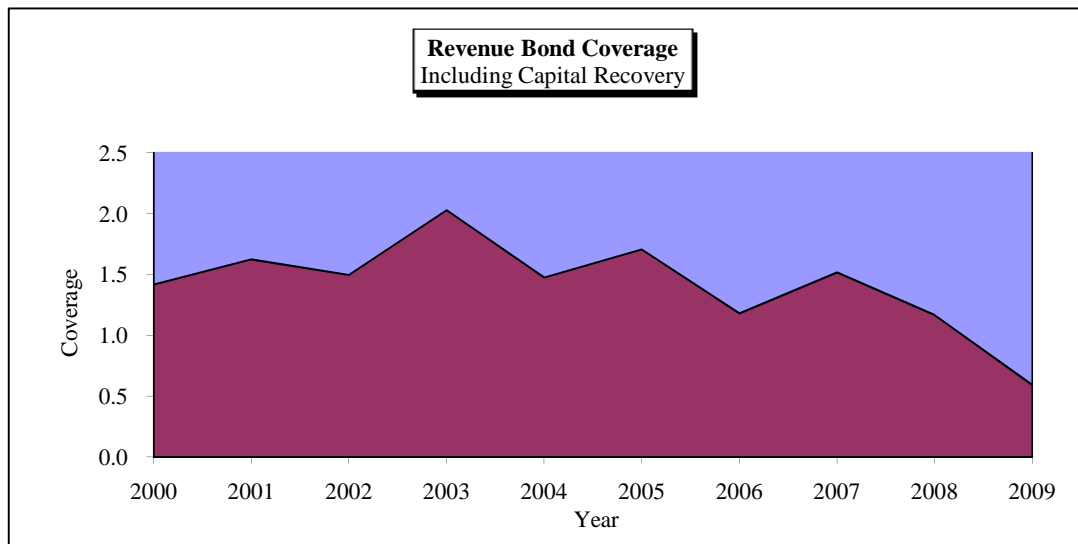
(5) Includes principal and interest on Water and Sewer bonds only from Note 4, F. Non-current Liabilities.

(6) Gross Revenues for 2003 include a litigation settlement of \$11,035,000.

(7) Includes an early benefit assessment payoff of \$573,784 by the Town of Bel Air.

Note: Developer contributions of *Capital Assets* are not included in this table.

	Direct Operating Expense (4)	Net Revenue Available for Debt Service	Debt Service Requirements (5)			Coverage
			Principal	Interest	Total	
\$	15,952,371	\$ 18,457,412	\$ 8,059,317	\$ 4,963,362	\$ 13,022,679	1.42
	16,582,240	21,111,262	7,991,767	5,007,996	12,999,763	1.62
	17,986,478	20,191,283	8,687,729	4,801,418	13,489,147	1.50
	18,847,251	29,966,313	10,517,527	4,250,167	14,767,694	2.03
	19,716,104	19,073,899	9,478,117	3,451,319	12,929,436	1.48
	20,389,551	21,231,408	9,091,960	3,354,360	12,446,320	1.71
	22,127,995	20,405,264	14,094,946	3,192,596	17,287,542	1.18
	24,349,871	17,471,094	8,918,773	2,593,948	11,512,721	1.52
	28,506,328	16,070,158	10,924,897	2,843,674	13,768,571	1.17
	29,144,669	7,782,935	10,368,564	2,797,801	13,166,365	0.59



Harford County, Maryland

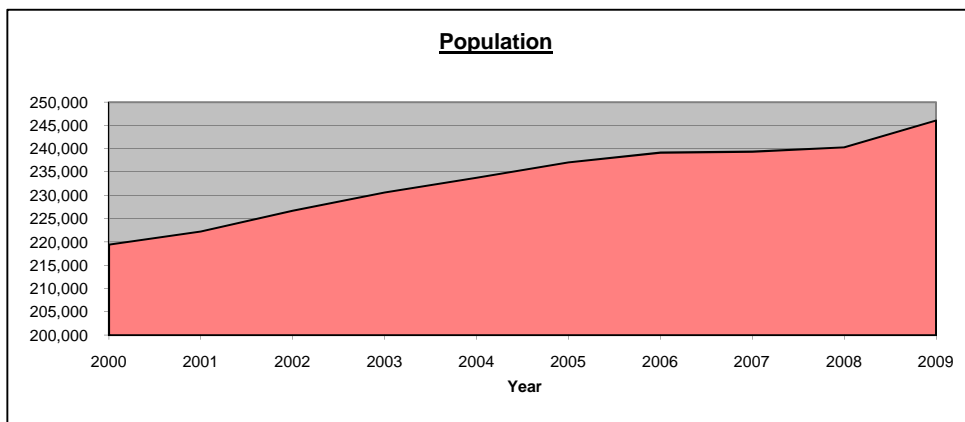
Demographic Statistics

Table 15
Last Ten Fiscal Years

Fiscal Year Ending June 30	Population (1)	Per Capita Income (2)	Personal Income (2) (000's)	Unemployment Rate (3)	School Enrollment (4)	Median Age (5)	Education of Bachelor Degree or Higher (5)
2000	219,464	\$ 31,316	\$ 6,874,449	3.9%	39,348	36.2	27.3%
2001	222,251	32,737	7,289,414	4.3%	39,562	36.6	27.9%
2002	226,732	33,692	7,657,674	4.3%	39,995	37.0	28.5%
2003	230,654	34,887	8,081,911	4.7%	40,264	37.2	27.5%
2004	233,784	36,664	8,618,412	4.0%	40,204	36.8	27.6%
2005	237,094	38,595	9,218,447	4.1%	40,313	37.2	27.7%
2006	239,193	40,609	9,728,548	3.7%	40,212	37.5	27.6%
2007	239,406	43,106	10,319,796	3.8%	39,582	37.7	27.7%
2008	240,351	Not Available	Not Available	4.1%	39,175	37.8	27.8%
2009	246,100	Not Available	Not Available	7.7%	38,610	Not Available	Not Available

SOURCE:

- (1) Population Division, U.S. Census Bureau, March 2009 provided population estimates for FY2000 thru FY2008. Harford County Department of Planning and Zoning, June 2009 provided population estimates for FY2009.
- (2) U.S. Bureau of Economic Analysis Table CAO4, April, 2008.
- (3) Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information, June 2009
- (4) Harford County Public School System.
- (5) Claritas, a marketing information resource company, subscribed to by the County's Department of Planning & Zoning.



Harford County, Maryland

Principal Employers

Table 16
Current Fiscal Year and Ten Years Ago

Fiscal Year	2009		
	Number of Employees (1)	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	12,200	1	16.74%
Harford County Public Schools	5,333	2	7.32%
Upper Chesapeake Health	1,932	3	2.65%
Harford County Government	1,608	4	2.21%
Rite Aid Mid-Atlantic Customer Support Center	1,270	5	1.74%
Harford Community College	1,219	6	1.67%
SAIC	788	7	1.08%
Kliens Supermarkets	663	8	0.91%
Jacobs Technology	656	9	0.90%
Saks Fifth Avenue	520	10	0.71%
Total	26,189		35.93%
Total County Employment (2) (3)	72,895		100%

Fiscal Year	1999		
	Number of Employees (4)	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	11,742	1	21.20%
Harford County Public Schools	4,571	2	8.25%
Upper Chesapeake Health System	1,821	3	3.29%
Harford County Government	1,280	4	2.31%
Saks Fifth Avenue	560	5	1.01%
Frito Lay	546	6	0.99%
The GAP-Atlantic Dist. Ctr.	330	7	0.60%
Old Line Plastics, Inc.	330	8	0.60%
Johnson Controls	320	9	0.58%
Alcore, Inc.	210	10	0.38%
Total	21,710		39.21%
Total County Employment (2)	55,380		100%

Source:

- (1) Economic development agencies statewide and Maryland Department of Business and Economic Development, November 2008.
- (2) U.S. Census Bureau, Center for Economic Studies, May 7, 2008.
- (3) Calendar Year 2008.
- (4) Harford County Budget in Brief-1999; only the eight top employers were listed.

Harford County, Maryland

Capital Asset and Infrastructure Asset Statistics by Function/Program

Table 17
Last Eight Fiscal Years

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Agricultural Preservation								
Acres of Farm Land in Preservation Program	18,015	20,441	22,246	23,390	24,078	25,007	32,623	34,387
General Government								
Office Buildings	12	12	12	12	12	13	13	13
Garage	1	1	1	1	1	1	1	1
Vehicles	39	37	37	40	39	40	40	30
Education-Primary thru Community College (1)								
Administration Building	1	1	1	1	1	1	1	1
Alternative Education Center	-	-	-	1	1	1	1	1
Community College	1	1	1	1	1	1	1	1
Elementary Schools	32	32	32	32	32	32	32	32
High Schools	8	8	8	8	8	8	9	9
Middle Schools	8	8	8	8	8	8	9	9
Public Charter School	-	-	-	-	-	1	1	1
Special Education	1	1	1	1	1	1	1	1
Vocational/Technical High School	1	1	1	1	1	1	1	1
Harford Center--Rehabilitation Center for Disabled	1	1	1	1	1	1	1	1
Judicial								
Courthouse	1	1	1	1	1	1	1	1
Vehicles	1	1	2	2	3	2	2	2
Libraries	9	9	10	10	11	11	11	11
Parks and Recreation								
Number of Parks	98	98	98	79	80	83	88	89
Acres of Land	3,633	3,861	3,850	4,001	4,068	4,150	4,588	4,612
Vehicles	67	79	83	91	93	100	100	86
Public Safety								
Detention Center	1	1	1	1	1	1	1	1
Number of Stations	2	3	3	3	3	3	3	3
Number of Patrol Vehicles	174	169	171	171	178	194	197	210
Number of Other Vehicles	98	110	118	139	137	145	145	148
Firing Range	-	-	1	1	1	1	1	1
Mobile Communications Center	1	1	1	1	1	1	1	1
Emergency Operations Vehicles	16	15	16	12	12	10	10	6
Hazmat Vehicles	2	3	4	6	8	12	12	10
DILP Vehicles	21	24	23	24	27	30	30	29
Animal Control Vehicles	6	10	12	15	15	16	16	13

continued

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Public Works								
Highways								
County Maintained Roads-Paved Miles	943	953	962	974	988	992	994	998
County Maintained Roads-Unpaved Miles	55	52	52	50	50	49	48	47
Office Buildings	4	4	4	4	4	6	6	6
Equipment Sheds	-	3	3	3	4	4	4	4
Truck Bay	1	1	1	1	1	1	1	1
Salt Dome	1	1	1	1	1	2	2	2
Vehicles	288	312	312	314	314	313	332	371
Water & Sewer								
Miles of Water Mains and Laterals (2)	669	696	737	749	603	657	661	662
Water Treatment Plants	3	3	3	3	3	3	3	3
Booster Stations	13	13	13	12	12	12	12	12
Water Tanks	13	13	13	13	13	13	13	13
Miles of Wastewater Mains and Laterals (2)	793	869	898	914	670	746	754	755
Wastewater Treatment Plants	3	3	3	3	3	3	3	3
Wastewater Pumping Stations	51	51	54	52	52	52	53	54
Waste Disposal								
Waste to Energy Facility	1	1	1	1	1	1	1	1
Vehicles	10	10	10	17	17	21	19	19
Landfills								
Buildings	3	3	3	3	3	3	3	3
Vehicles	70	70	69	73	81	81	88	88
Social Services & Health								
Senior/Activity Centers	4	4	4	4	4	4	4	4
Buses	28	26	29	28	31	34	34	34
Office Buildings	4	5	5	5	5	5	5	5
Transportation Facility	-	1	1	1	1	1	1	1
Other Vehicles	9	9	9	6	5	7	11	11

(1) Harford County does not own the Education Capital Assets but the County does pay for their construction.

(2) In FY2006 the previous physical survey of mains and laterals was converted to a GIS system creating a difference in the number of miles.

Harford County, Maryland

Operating Indicators by Function

Table 18
Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<u>Agricultural Preservation</u>										
Number of Settlements	10	11	14	30	26	10	10	12	20	20
<u>County Council</u>										
Number of bills introduced	59	56	48	66	61	49	40	51	70	42
Number of bills passed	57	52	42	59	55	43	32	40	67	39
<u>General Government</u>										
<u>Land Use</u>										
Total Acres	337,065	337,065	337,065	335,282	335,282	335,282	335,282	335,282	335,282	335,282
Percent Residential	10.23%	10.23%	10.23%	15.00%	15.00%	15.00%	15.00%	17.50%	17.50%	17.50%
Percent Agriculture	34.50%	34.50%	34.50%	39.40%	39.40%	39.40%	39.40%	36.70%	36.70%	36.70%
Percent Commercial	1.11%	1.11%	1.11%	1.90%	1.90%	1.90%	1.90%	2.10%	2.10%	2.10%
<u>Inspections & Permits</u>										
Permits issued	16,203	16,403	17,131	16,806	18,260	19,332	17,922	20,523	16,582	13,687
Com. Construction Permits	59	48	37	48	60	84	127	92	85	50
Res. Construction Permits	1,761	1,767	1,999	1,698	1,733	2,043	1,483	920	666	494
<u>Judicial</u>										
<u>Circuit Court</u>										
Number of cases filed- Calendar Yr	n/a	n/a	1,597	1,816	1,856	1,948	2,324	2,368	2,331	2,184
<u>District Court</u>										
Number of cases filed-Calendar Yr	n/a	n/a	5,821	6,465	6,447	8,002	7,661	8,754	7,646	8,320
<u>Education</u>										
<u>Board of Education</u>										
Administrators	236	236	391	243	227	234	247	253	270	269
Support	1,709	1,709	1,526	1,520	1,650	1,684	1,835	1,853	1,919	1,976
Teachers/Counselors/Mentors	2,658	2,658	2,599	2,686	2,824	2,846	2,949	3,076	3,117	3,088
Number of Students	39,348	39,562	39,995	40,264	40,204	40,313	40,212	39,582	39,175	38,610
<u>Community College</u>										
Number of credit students	4,312	4,474	4,815	5,003	4,920	4,958	5,059	5,172	5,437	5,838
Faculty	79	75	73	65	60	68	72	65	62	100
Administrators	19	20	20	23	22	23	25	30	31	33
Staff	151	148	150	155	156	158	166	172	176	185
Visiting professors	n/a	n/a	n/a	24	34	31	33	35	38	-
<u>Libraries</u>										
Number of registered borrowers	147,730	160,486	173,764	186,469	199,240	211,585	225,802	240,112	185,728	201,032
Circulation (000)	2,347	2,469	2,776	2,867	2,809	3,228	3,567	3,990	4,466	4,851
Materials Collection (000)	789	828	835	848	1,008	1,021	1,016	1,050	1,051	1,003
Library personnel	170	180	198	206	225	214	245	247	252	242
<u>Parks and Recreation</u>										
Volunteer recreation councils	19	19	19	19	20	20	20	20	20	20
Number of P&R Volunteers	19,089	18,411	19,947	21,008	22,352	23,279	22,942	23,078	23,747	29,574
Recreation Registrations-Calendar Yr	n/a	n/a	65,942	68,175	72,554	73,258	78,943	75,605	78,587	n/a

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<u>Public Safety</u>										
Number of volunteers - Fire & EMS	1,354	1,380	1,252	1,320	707	1,520	1,520	1,520	1,520	1,520
Fire & EMS responses	23,838	27,804	27,892	29,282	21,439	23,613	23,423	24,239	28,227	32,132
Police responses	24,328	92,955	103,228	144,411	152,096	159,160	150,656	161,532	160,494	143,618
911 calls	66,335	72,955	83,185	93,308	97,295	98,870	100,270	101,431	102,732	101,959
Hazardous material incidents	n/a	294	212	279	216	255	239	246	304	329
EOC activations/exercises	n/a	10	9	9	14	12	12	19	16	12
Community policing programs	361	738	749	749	676	156	308	340	376	311
Neighborhood watch programs	93	80	86	119	120	56	53	62	53	39
<u>Public Works</u>										
<u>Solid Waste</u>										
Tons of recycled materials	97,630	120,297	137,179	135,406	140,618	164,654	180,959	176,865	176,654	187,249
Tons of solid waste processed	121,001	126,775	155,259	152,409	152,708	149,130	168,188	166,029	160,517	143,217
<u>Highways</u>										
Number of snow routes	67	67	67	67	70	71	72	73	75	75
<u>Social Services/Health</u>										
<u>Transportation</u>										
Average Daily Ridership	750	750	790	825	n/a	n/a	n/a	n/a	n/a	n/a
Annual Ridership	n/a	n/a	n/a	n/a	217,821	225,180	242,208	281,991	281,991	291,577
Vehicle Miles Traveled	n/a	n/a	n/a	n/a	709,445	740,250	709,074	737,252	737,252	684,957
<u>Water & Sewer Operations</u>										
Daily av. water consump. in gal.(000)	9,500	10,600	10,600	11,800	11,000	10,900	11,176	11,870	10,500	10,500
Daily av. effluent treatmnt in gal. (000)	11,400	11,600	12,400	12,300	12,500	15,000	12,110	14,000	12,300	12,000
Number of new accounts added	1,204	1,294	1,410	1,363	1,041	964	811	421	477	345

Harford County, Maryland

Full-time Equivalent Government Employees by Function

Table 19
Last Eight Fiscal Years

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
County Council	19	19	19	19	19	19	20
General Government							
County Executive	4	4	4	4	4	7	7
Administration	85	86	87	87	92	93	100
Procurement	10	10	10	10	10	17	20
Treasury	49	49	49	49	51	51	51
Law	14	14	15	15	16	16	16
Planning & Zoning	41	41	40	39	39	40	40
Human Resources	10	10	9	9	9	10	10
Govt & Community Relations	7	6	6	4	4	5	5
Economic Development	10	10	10	10	11	14	13
	230	230	230	227	236	253	262
Judicial							
Judicial	29	28	23	25	26	26	28
State's Attorney	43	43	43	47	50	52	53
	72	71	66	72	76	78	81
Parks and Recreation	72	73	73	74	77	83	96
Public Safety							
Sheriff's Office	421	425	425	436	459	498	498
Emergency Services	69	73	75	81	87	91	92
Inspections, Licenses & Permits	38	39	39	40	42	45	45
	528	537	539	557	588	634	635
Public Works							
Public Works - Administration	21	20	20	21	24	26	30
Public Works - Solid Waste	28	28	28	29	30	32	33
Public Works - Highways	222	219	211	215	213	209	217
Public Works - Water & Sewer	162	164	165	168	169	168	169
	433	431	424	433	436	435	449
Social Services & Health							
Community Services	24	28	29	32	34	36	37
Housing Agency	6	5	7	6	5	7	8
	30	33	36	38	39	43	45
Grand Totals	1,384	1,394	1,387	1,420	1,471	1,545	1,588

